LODI CITY COUNCIL
Carnegie Forum
305 West Pine Street, Lodi

AGENDA – Redevelopment Agency
Date: February 6, 2002
Time: 7:00 p.m.

For information regarding this Agenda please contact:
Susan J. Blackston
City Clerk
Telephone: (209) 333-6702

MEETING OF THE
Redevelopment Agency
Of the City of Lodi

A. Call to order – Chairperson

B. Roll call to be recorded by Secretary

Res. C. Adopt resolution approving the preliminary report and transmittal to affected taxing entities on the proposed Redevelopment Plan for the Lodi Redevelopment Project No. 1 (CD)

D. Other business

E. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

Susan J. Blackston
Secretary
Redevelopment Agency of the City of Lodi

REDEVELOPMENT AGENCY

AGENCY COMMUNICATION

AGENDA TITLE: Adopt Resolution approving the Preliminary Report and transmittal to affected taxing entities on the proposed Redevelopment Plan for the Lodi Redevelopment Project No. 1

MEETING DATE: February 6, 2002

PREPARED BY: Community Development Director

RECOMMENDED ACTION: Adopt Resolution approving the Preliminary Report and transmittal to affected taxing entities on the proposed Redevelopment Plan for the Lodi Redevelopment Project No. 1.

BACKGROUND INFORMATION: As the Agency Board is aware, staff and consultants have been working through the necessary steps in establishing Lodi Redevelopment Project No. 1. The most recent action that the agency took was to certify the election results for the Project Area Committee. That committee has had four meetings since then and will continue to meet monthly to review and make comments on the various documents required to be prepared pursuant to State Redevelopment Law.

The document before you is the Preliminary Report for the proposed Lodi Redevelopment Plan. The Preliminary Report is the first major background document in the process leading to consideration of the approval of the Lodi Redevelopment Plan. It is a public document designed to provide background information on the Redevelopment Project to the Agency, the Lodi Project Area Committee (PAC), and affected taxing entities. The Preliminary Report is of value to all participants in the plan adoption process as an early statement of program needs, goals, activities and costs.

The adoption of the Redevelopment Plan will put into place a redevelopment program designed to alleviate the Project Area's blighting conditions, which are documented in this Preliminary Report. The Preliminary Report describes the projects and activities proposed to alleviate blight and promote economic development, residential neighborhood conservation and area wide public improvements. Finally, the Preliminary Report sets forth financing methods proposed to implement the Redevelopment Program.

This report contains information regarding:

- The reasons for the selection of the Project Area
- The description of physical and economic conditions existing in the Project Area
- The preliminary assessment of the proposed method for financing the redevelopment of the project area, including an assessment of the economic feasibility of the project

APPROVED: ______________________
H. Dixon Flynn -- City Manager

- The descriptions of the types of projects that are anticipated
- The description of how the projects that are proposed will improve or alleviate the Project Area conditions

Aside from the Agency Board's action to approve the report, the report must be submitted to all taxing entities within the project area and the State Board of Equalization. In addition, the Project Area Committee will review the Preliminary Report.

FUNDING: None required

Konradt Bartlam
Community Development Director

Attachments

RESOLUTION RDA2002-01

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF LODI APPROVING THE PRELIMINARY REPORT TO AFFECTED TAXING ENTITIES ON THE PROPOSED REDEVELOPMENT PLAN FOR THE LODI REDEVELOPMENT PROJECT NO. 1

WHEREAS, pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Redevelopment Agency of the City of Lodi (the "Agency") has prepared a proposed Redevelopment Plan (the "Redevelopment Plan") for the Lodi Redevelopment Project No. 1 (the "Project"); and

WHEREAS, pursuant to Section 33344.5 of the Community Redevelopment Law, the Agency has prepared a preliminary report (the "Preliminary Report") on the proposed Redevelopment Plan for the Project for transmittal to each affected taxing entity as defined in Section 33353.2 of the Community Redevelopment Law.

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF LODI DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Agency hereby approves and adopts the Preliminary Report in the form on file in the City Clerk's Office and incorporated herein by reference.

Section 2. The Executive Director of the Agency is hereby authorized and directed to transmit the Preliminary Report to each affected taxing entity.

Dated: February 6, 2002

I hereby certify that Resolution No. RDA2002-01 was passed and adopted by the Lodi City Council in a regular meeting held February 6, 2002 by the following vote:

AYES: MEMBERS – Howard, Land, and Mayor Pennino

NOES: MEMBERS – Nakanishi

ABSENT: MEMBERS – None

ABSTAIN: MEMBERS – Hitchcock

Phillip A. Pennino, Chairperson,
City of Lodi Redevelopment Agency

Attest:

Susan J. Blackston
Secretary, City of Lodi Redevelopment Agency

Preliminary Report

for the

Lodi
Redevelopment Project

January 2002

Lodi Redevelopment Agency

Preliminary Report
Lodi Redevelopment Project

Report Prepared By

Lodi Redevelopment Agency
221 West Pine Street
Lodi, CA 95240

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(510) 530-7229

January 2002

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Lodi Redevelopment Project

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I. Introduction

The Redevelopment Agency of the City of Lodi (Agency) is preparing a Redevelopment Plan for the Lodi Redevelopment Project Area (Project Area). The Lodi City Council will consider approval of the Plan during 2002. The proposed Project Area is comprised of approximately 1,184 acres of commercial, industrial and residential land uses in the City of Lodi (City) and is primarily located north of Kettleman Lane, south of Turner road, east of Ham Lane and west of Commerce Street. This document is the Preliminary Report for the proposed Lodi Redevelopment Plan, which is required by Section 33344.5 of the California Community Redevelopment Law (CRL), a subsection of the California Health and Safety Code.[1]

The Preliminary Report is the first major background document in the process leading to consideration of the approval of the Lodi Redevelopment Plan (Redevelopment Plan). It is a public document designed to provide background information on the Redevelopment Project to the Agency, the Lodi Project Area Committee (PAC), and affected taxing entities. The Preliminary Report is of value to all participants in the plan adoption process as an early statement of program needs, goals, activities and costs.

The adoption of the Redevelopment Plan will put into place a redevelopment program designed to alleviate the Project Area's blighting conditions, which are documented in this Preliminary Report. The Preliminary Report describes the projects and activities proposed to alleviate blight and promote economic development, residential neighborhood conservation and areawide public improvements. Finally, the Preliminary Report sets forth financing methods proposed to implement the Redevelopment Program.

This chapter is organized as follows:

A. Project Area Description

B. Reasons for Selecting the Project Area

C. Attainment of the Purposes of the California Community Redevelopment Law

D. Redevelopment Project Goals

E. Conformity with the City's General Plan

F. Overview of the Redevelopment Plan Adoption Process

G. Preliminary Report Requirements

H. Public Agency Actions to Date

A. Project Area Description

1. Project Area Boundaries

The proposed Project Area consists of approximately 1,184 acres located entirely within the City of Lodi, California. The proposed Project Area boundary was developed based on a review

[1] The California Community Redevelopment Law is contained in Part 1 of Division 24, Community Development and Housing, of the Health and Safety Code beginning at Section 33000. All further statutory references are to the Health and Safety Code unless otherwise noted.

of background information, discussions with City staff, and an examination of available maps and aerial photographs. Special consideration was given to the California Community Redevelopment Law (CRL) eligibility requirements (for more information on these requirements, refer to Section G of this chapter and Chapter II).

The proposed Project Area is comprised of a variety of residential, commercial and industrial land uses. The proposed Project Area boundaries are shown in Figure I-1 (See Appendix B for the legal description and map of the proposed Project Area boundaries.)

2. History of the Project Area

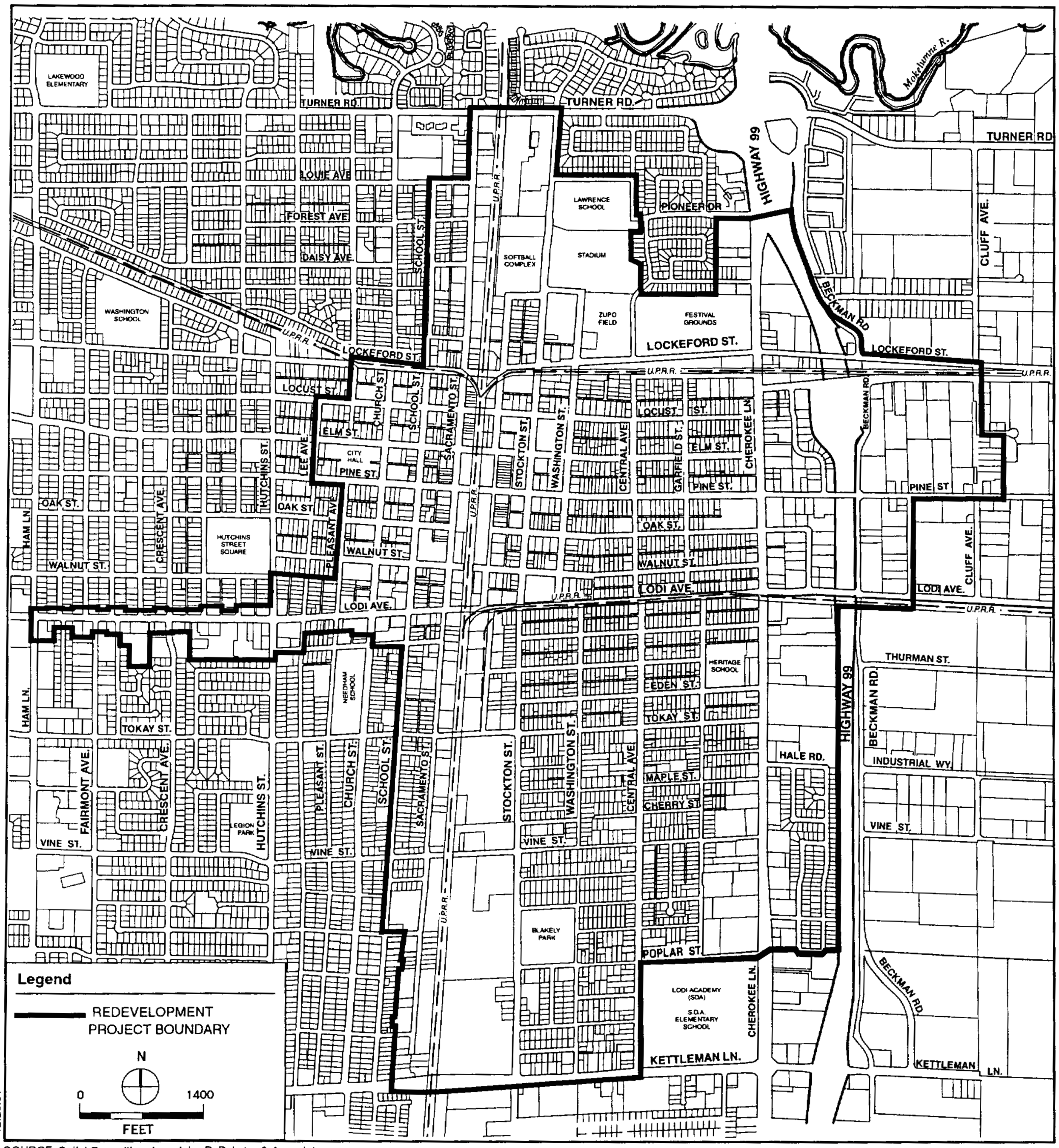
The historical growth of the City of Lodi has greatly influenced the existing physical and economic conditions in the proposed Project Area, which encompasses the oldest commercial and industrial areas and residential neighborhoods in Lodi.

Lodi's initial growth was primarily related to agriculture and the prime farming land that surrounds the City. Lodi is located on the edge of the Sacramento Delta, an area of productive agricultural land. The Miwok Indians, the area's earliest inhabitants, enjoyed a life of abundant plant life nurtured by the black peat soil of the Delta. Lodi was once known as the watermelon capital, when trains would transport watermelons from Lodi to cities all across the nation. Today, Lodi's cash crop is the wine grape. The Lodi area produces more Zinfandel, Merlot, Cabernet Sauvignon, Chardonnay and Sauvignon Blanc grapes than any other wine region in the state. The Lodi area also produces, processes and exports a wide variety of vegetables, fruits and nuts. It has one of the largest cherry export operations in the country, shipping primarily to Japan and other Pacific Rim countries.[2]

Lodi was first subdivided in 1869 by the Oakland-Sacramento Central Pacific Railroad Company, when the town of Mokelumne was founded. The City was incorporated on December 6, 1906. Lodi's early growth was attributed to an extensive network of passenger train services that once served the City. Industries built warehouses and manufacturing plants to maximize railroad access and frontage. Commercial districts were developed in close proximity to the railroad depot to capitalize on passenger patronage, and residential development occurred in areas beyond the commercial and industrial uses.[3] Rail service has steadily declined since the 1950s and 1960s as the expanding freeway system replaced rail transport with automobiles and trucks.[4]

The proposed Project Area is adjacent to Highways 12 and 99. Cherokee Lane, the location of the original Highway 99 before it was upgraded and relocated to the east, traverses the proposed Project Area. Highway 12, Kettleman Lane, runs near the southern border and the current Highway 99 runs near the eastern border. The western border of the proposed Project Area is adjacent to Ham Lane.

[2] Information taken from the Lodi Conference & Visitors Bureau website, located at www.visitlodi.com/history.html
[3] Environmental Science Associates, Lodi Multi-Modal Station: Initial Study/Negative Declaration, May 1999, p. 11.
[4] Ibid., p. 3.



12.20.01

SOURCE: Seifel Consulting, Inc.; John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE 1-1: REDEVELOPMENT PROJECT AREA

Downtown Lodi is generally regarded as the area bounded by Lockeford Street to the north, Lodi Avenue to the south, Church Street on the west, and Sacramento Street and the Southern Pacific Railroad on the east. It has a land area of approximately 40 acres, and includes approximately 400,000 square feet of first floor commercial space. Historic buildings and storefront commercial development are concentrated along School Street. A smaller commercial area extends along the frontages of Main and Pine Streets, east of the railroad. It is approximately 15 acres in area and contains approximately 110,000 square feet of first floor commercial space.[5] Another smaller commercial area extends west along Lodi Avenue to Ham Lane.

Cherokee Lane is the gateway to Lodi from Highway 99, which is an important north-south route in the Central Valley. Cherokee Lane stretches for approximately two miles between the northern and southern Highway 99 off-ramps. Its frontage consists of a mixture of large and small-scale commercial businesses, public facilities such as the fairgrounds and the vacant Lincoln School, as well as light industrial development.[6]

Kettleman Lane, which forms the southern boundary of the proposed Project Area, is an important commercial corridor in Lodi. Highway 12 provides the principal east-west access to the area and coincides with Kettleman Lane west of Highway 99. It then follows Highway 99 for about one mile north before branching east as Victor Road.

B. Reasons for Selecting the Project Area

The selection of the proposed Project Area boundaries was based on the following considerations:

- Eliminating adverse physical and economic blighting conditions.
- Achieving redevelopment objectives for revitalization of the Project Area and assisting in furthering the goals and objectives of the City's General Plan.
- Developing a proactive strategy to respond to the significant regional transportation improvements proposed for, and underway in, the Project Area and surrounding areas, in order to protect existing residential neighborhoods and enhance commercial districts.

The City Council recommended establishing a redevelopment project to accomplish the following goals:[7]

- Revitalize certain areas in Lodi that exhibit both physical and economic blight;
- Stimulate private investment in Lodi's commercial areas;
- Improve housing conditions and infrastructure in residential neighborhoods; and
- Provide tax increment funds for the redevelopment activities that are needed to alleviate blighting conditions.

[5] Freedman Tung and Bottomley, Central City Revitalization Program: Concept Development Phase, 1994, p. 6.
[6] Ibid. p.19.
[7] This list of reasons was presented at the first PAC meeting, November 27, 2001.

1. Substantial and Prevalent Blighting Conditions

Both physical and economic conditions prevent the proposed Project Area from achieving its full potential. Chapter II of this Preliminary Report documents the proposed Project Area's physical and economic blighting conditions in accordance with the CRL. Existing conditions found in the proposed Project Area include eight of the nine statutorily defined categories of physical and economic blight. The blight documentation is based on field surveys, building condition ratings of 3,382 structures, photographic evidence, independent environmental analyses, and economic data and analyses.

As discussed in Chapter II, the location, scale and quality of the transportation improvements and resulting land use patterns have negatively affected properties in the proposed Project Area. The negative conditions exist particularly within the oldest areas of the City, which are located primarily within the proposed Project Area. These negative conditions include impaired access and circulation; deteriorating properties, buildings and infrastructure; incompatible land uses; outmoded and/or deficient buildings; deficient and substandard public improvements; substandard lots; economic stagnation and depreciated values; and residential overcrowding.

Built to accommodate retail uses at the time of their construction, many of these commercial buildings have inefficient use of space, given current needs of retail businesses, and have subsequently lost their economic vitality. Some are of small size and irregular configuration, some are poorly located on their sites, and some lack convenient parking. These older buildings are difficult to adapt to modern retailing, which hinders their economic use or future development.

The proposed Project Area suffers from physical and economic blighting conditions that need to be alleviated to improve commercial and industrial areas and revitalize and conserve the residential neighborhood. The conditions of blight in the proposed Project Area include, but are not limited to:

- Deficient or deteriorated buildings
- Factors that inhibit proper use of buildings or lots
- Incompatible uses
- Substandard lots
- Depreciated or stagnant values
- Residential overcrowding

The blighting conditions within the proposed Project Area are substantial and prevalent, and have resulted in deterioration and poor utilization of the area.

C. Attainment of the Purposes of the California Community Redevelopment Law

The purposes of the California Community Redevelopment Law would be attained by the proposed redevelopment through the:

1. Elimination of blighting influences and the correction of environmental deficiencies, including, among others, buildings in which it is unsafe or unhealthy for persons to live or work, incompatible and uneconomic land uses, and small and irregular lots;
2. Assembly of land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation;
3. Replanning, redesign, and redevelopment of areas which are stagnant or improperly utilized;
4. Provision of opportunities for participation by owners and tenants in the revitalization of their properties;
5. Strengthening of retail and other commercial functions in the Project Area;
6. Strengthening of the economic base of the Project Area by stimulating new investment;
7. Expansion of employment opportunities;
8. Provision of an environment for social and economic growth;
9. Expansion and improvement of housing for low and moderate income persons; and
10. Installation of new or replacement of existing public improvements, facilities, and utilities in areas that are currently inadequately served.[8]

1. Achieving City Goals and Objectives

The Lodi Redevelopment Project will further several City goals and objectives, through alleviation of physical and economic blighting conditions in the Project Area by improving the area's economic base and preserving and enhancing residential areas. The Redevelopment Project will address these goals by assisting in improving older areas and preparing for the future.

D. Redevelopment Project Goals

1. Areawide Goals

The primary goal of the proposed Redevelopment Plan is to alleviate physical and economic blighting conditions in the Project Area by improving the area's economic base and preserving and enhancing residential areas.

Areawide goals for the Project Area are as follows:

- Alleviate adverse physical and economic blighting conditions within the proposed Project Area.

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[8] These purposes were excerpted from the Preliminary Plan for the Lodi Redevelopment Project No. 1, Planning Commission of the City of Lodi, June 2001.

- Implement the goals and policies of the City's General Plan.
- Mitigate any adverse conditions that contribute to soil and groundwater contamination.
- Beautify and enhance the proposed Project Area.
- Improve transportation and traffic circulation throughout the proposed Project Area through improved intersections, traffic controls, signage, and traffic calming devices; pedestrian overpasses; bicycle routes; and passenger shelters.
- Create safe and convenient circulation for pedestrians and bicycles.
- Provide assistance to private property owners in order to encourage rehabilitation of their properties.
- Preserve and create civic, cultural and educational facilities and amenities as a catalyst for area revitalization.
- Upgrade, modernize and expand public infrastructure including improvements to water, sewer and storm drainage systems.
- Upgrade and expand recreational areas and open space.
- Expand and improve the community's supply of low and moderate income housing by using redevelopment project housing set-aside funds.

2. Revitalization of Commercial and Industrial Areas

Redevelopment would promote the economic revitalization of commercial and industrial areas, such as Downtown Lodi, Lodi Avenue and Cherokee Lane. The proposed Redevelopment Project would provide funding to promote investment in commercial and industrial areas and capitalize on the changes resulting from the new Southern Pacific station. Improving the economic vitality of these commercial and industrial areas will also enhance the appeal of the East Side neighborhood as a place to live.

The following goals are based upon observed needs in the area, recommendations from previous studies and the City's General Plan:

- Eliminate adverse physical and economic conditions.
- Revitalize Lodi's Downtown commercial business district by promoting specialty retail, restaurant, entertainment and cultural uses, and by capitalizing on the potential of the transit station and adjacent Union Pacific lands.
- Stimulate private investment in and attract businesses to Downtown Lodi by providing adequate land and support for the development of office uses serving the City.
- Promote Lodi as a center for grape cultivation and wineries.
- Enhance the visual quality of Cherokee Lane by improving streetscape and lighting conditions.
- Attract businesses to Lodi by providing adequate land and support for the development of office uses serving the City.
- Assist with land assembly and relocation, especially relocation of incompatible uses.
- Improve public infrastructure, including streets, sidewalks, curbs, gutter and storm drains.

- Clean up hazardous material and soil contamination.
- Revitalize business areas in the proposed Project Area through business retention, expansion and attraction.
- Improve and enhance the desirability of Lodi's major arteries, including Cherokee Lane and Lodi Avenue, in order to ensure the continued strength of these areas.
- Provide assistance for building rehabilitation and façade improvements.
- Provide parking improvements in commercial areas.
- Improve traffic and pedestrian access to commercial areas and provide gateway improvements.
- Coordinate transit service for Downtown Lodi and surrounding areas, including AmTrak, San Joaquin Regional Transit District, and Grape Line services, potential shuttle services, and improved pedestrian access.
- Provide assistance with improvements and development opportunities in the Project Area that will enhance Lodi's multimodal station and transit corridor.

3. Conservation and Improvement of Residential Areas

Redevelopment would promote the preservation and economic revitalization of residential areas, such as the East Side neighborhood. The proposed Redevelopment Project would provide funding to promote investment in residential areas. Improving the economic vitality of the commercial and industrial areas will also enhance the appeal of the East Side neighborhood as a place to live.

Residential Conservation Areas

Residential Conservation Areas (RCAs) have been proposed to be incorporated into the Redevelopment Plan to ensure that these areas remain residential. The Redevelopment Program includes strategies to help retain and enhance the residential character and property values in RCAs.

The residential character, integrity and property values of RCAs are to be preserved and enhanced through the implementation of the Redevelopment Plan for the proposed Project Area. Although both physical and economic blight exist within these areas, individual or specific homes should not be construed to be blighted merely by being located within the proposed Project Area. The following strategies will be used to implement the Redevelopment Plan to preserve and enhance the quality of life and property values in RCAs:

- Eliminate adverse physical and economic conditions.
- Preserve, protect and enhance established residential areas and housing conditions within the proposed Project Area through the creation of an RCA in the East Side neighborhood.
- Maintain and preserve the housing stock, including affordable housing by providing incentives for residential rehabilitation and improved housing conditions.
- Clean up hazardous material and soil contamination.
- Improve housing opportunities for low and moderate income households.

- Maintain density of residential development through local ordinances, such as Lodi's zoning code, as well as through applicable state planning laws.
- Upgrade housing quality and strengthen the social fabric of neighborhoods through comprehensive code enforcement, formation and support of neighborhood organizations for dispute resolutions, self-reliant problem solving, and community improvement programs.
- Improve RCAs by providing and upgrading adequate public facilities and infrastructure, including water, wastewater and stormwater lines, streets, sidewalks and pedestrian/bicycle paths, parks, open space, landscaping and streetlighting.
- Protect residential neighborhoods from excessive traffic and circulation impacts, as well as from air pollution, by separating and buffering adjacent commercial and industrial uses, if possible, prohibiting through-traffic, utilizing traffic calming projects and similar techniques where appropriate, and implementing parking permit programs as needed.
- Increase access to all forms of public transit along major traffic corridors and to regional transit centers via pedestrian and bicycle linkages as part of a walkable community environment.

4. Providing Tax Increment Funds for Redevelopment Projects

The primary funding source for most redevelopment projects is tax increment revenue generated by increased property values in a project area. Tax increment revenues would be used to leverage private funds to undertake improvement projects and stimulate private investment in the proposed Project Area. Preliminary analysis indicates that the proposed Project Area could generate substantial tax increment revenues through the revitalization of the commercial and residential areas. This report provides initial projections of potential tax increment overviews in Chapter IV.

E. Conformity with the City's General Plan

As detailed in the July 2001 Preliminary Plan for the Lodi Redevelopment Project, the proposed development and redevelopment will be in conformance with the adopted General Plan of the City of Lodi, the City of Lodi Zoning Ordinance, and all other applicable state and local building codes and guidelines. It will also be subject to all review and procedural requirements in effect as development and redevelopment take place within the proposed Project Area boundaries.

The Preliminary Plan proposed a similar pattern of land uses to the General Plan, and included all highways and public facilities indicated by the General Plan. The Redevelopment Plan will include provisions that it will remain consistent with the General Plan as the General Plan is amended from time to time. Certain proposed elements of the Redevelopment Plan will be contingent upon the amendment of the General Plan. In concept, the proposed Redevelopment Program has received initial support from the City Council and Planning Commission.

F. Overview of the Redevelopment Plan Adoption Process

Adopting a redevelopment plan involves complex, statutorily mandated procedures and documentation designed to provide a community's legislative body with the necessary analysis and input to make informed decisions about the purpose, scope and content of the proposed Redevelopment Plan and ultimately, about whether to adopt the plan.

The following briefly describes the reports and steps in the Lodi Redevelopment Plan adoption process:

- Project Area Designation. The City Council designates the Survey Area, and the Planning Commission selects boundaries for the proposed Project Area.
- Preliminary Plan. In cooperation with the Redevelopment Agency, the Planning Commission adopts the Preliminary Plan providing a general description of land uses, redevelopment goals and objectives, and a map and legal description of the proposed Project Area boundaries.
- Project Area Committee. The City Council authorizes and establishes procedures for the formation of a project area committee (PAC) if the Agency contemplates actions that may potentially result in the relocation or displacement of low and moderate income households. The PAC reviews and advises on the proposed Redevelopment Plan. The PAC submits its report and recommendations on the Plan to the Agency and City Council.
- Preliminary Report. The Preliminary Report describes the purpose and projected impact of the proposed Redevelopment Plan. It is the first major background document in the process to the approval of the Redevelopment Plan. The Preliminary Report will be reviewed as a draft by staff and the Board of the Lodi Redevelopment Agency. The final version, as updated, will be incorporated into the Report to Council.
- Environmental Impact Report. The adoption of the Redevelopment Plan requires the preparation of an Environmental Impact Report (EIR) in accordance with the California Environmental Quality Act (CEQA). An EIR is being prepared by John Wagstaff & Associates, an environmental consulting firm.
- Redevelopment Plan. The Agency prepares a final Redevelopment Plan, which will be the legal document setting forth the basic goals, powers and limitations within which the Agency must conduct its activities over the life of the Project. The Agency submits the final Redevelopment Plan to the Planning Commission and the City Council in preparation for the public hearing and City Council consideration of adoption of the Plan.
- Report to City Council. The Report to Council is the report that accompanies the Redevelopment Plan, designed to help the City Council make an informed decision on whether to adopt the Plan. It will consist of updated information from the Preliminary Report, a Five Year Implementation Plan, the PAC report and recommendations, and additional chapters addressing specific procedures required by the CRL.

G. Preliminary Report Requirements

This Preliminary Report is designed to comply with state law requirements, CRL Section 33344.5. Below is a listing of the preliminary report requirements and a description of how this Preliminary Report is organized to meet these requirements. (Excerpts from the CRL are italicized and referenced.)

1. Reasons for Selecting the Project Area

The reasons for the selection of the project area. Section 33344.5(a)

The reasons for selecting the proposed Project Area and the reasons for adopting a Redevelopment Plan are presented in Chapter II, and summarized in Section B above.

2. Project Area Urbanization and Agricultural Land Use

a. Urbanization

A description of the project area which is sufficiently detailed for a determination as to whether the project area is predominantly urbanized. Section 33344.5(c)

The required documentation on the extent of urbanization in the proposed Project Area is provided in Chapter II. The documentation demonstrates that the proposed Project Area meets the urbanization requirements specified in Section 33320.1.

b. Land in Agricultural Use

If the project area contains lands that are in agricultural use, the preliminary report shall be sent to the Department of Conservation, the county agricultural commissioner, the county farm bureau, the California Farm Bureau Federation, and agricultural entities and general farm organizations that provide a written request for notice. Section 33344.5(g)

Because no agricultural land exists in the proposed Lodi Redevelopment Project Area, this procedural requirement is not applicable to the proposed Project Area.

3. Physical and Economic Conditions in the Project Area

A description of the physical and economic conditions existing in the project area. Section 33344.5(b)

The evidence provided in Chapter II of this Report and summarized in Section B above demonstrates that the proposed Project Area has adverse physical and economic conditions sufficient to support a finding that the area is blighted in accordance with CRL Sections 33031(a) and (b).

4. Proposed Projects and Blight Alleviation

A description of the specific project or projects then proposed by the agency. Section 33344.5(e)

A description of how the project or projects to be pursued by the agency in the project area will improve or alleviate the conditions described in subdivision (b). Section 33344.5(f)

Chapter III of this Preliminary Report provides descriptions of the projects and activities proposed by the Agency as a means to alleviate adverse conditions within the proposed Project Area. Preliminary cost estimates covering these projects and activities are also provided.

In addition, Chapter III links proposed projects and activities with identified adverse conditions and demonstrates how the Agency can use redevelopment to alleviate blighting conditions in the proposed Project Area.

5. Proposed Method of Financing

A preliminary assessment of the proposed method of financing the redevelopment of the project area, including an assessment of the economic feasibility of the project and the reasons for including a provision for the division of taxes pursuant to Section 33670 in the redevelopment plan. Section 33344.5(d)

Chapter IV of this Preliminary Report describes the proposed methods for financing the Redevelopment Project. Estimated Redevelopment Program costs are presented with available funding sources. The analysis demonstrates the economic feasibility of the Project and the reasons for including a provision for the division of taxes (tax increment financing).

H. Public Agency Actions to Date

The following major public agency actions related to the proposed Redevelopment Project have occurred to date:

- On February 16, 2000, the City Council designated the Survey Area for the proposed Lodi Redevelopment Project (Resolution 2000-23).
- On June 7, 2000, the Agency Board accepted the findings of the Feasibility Report for the proposed Lodi Redevelopment Project Area (Resolution 2000-01).
- On March 28, 2001, the Planning Commission considered the Preliminary Plan for the Lodi Redevelopment Project and the Project's preliminary boundaries. The Planning Commission recommended expanding the Survey Area and Project Area Boundaries.
- On April 18, 2001, the City Council designated the revised Survey Area for the proposed Lodi Redevelopment Project (Resolution 2001-93).
- On July 11, 2001 the Planning Commission adopted the Preliminary Plan for the Lodi Redevelopment Project, designated the Project's preliminary boundaries, and forwarded the Preliminary Plan to the Redevelopment Agency. The Commission found the Preliminary Plan in conformity with the City of Lodi General Plan (General Plan), and found that the Preliminary Plan met the criteria of Section 33324 by setting forth the boundaries of the

proposed Project Area, proposed general land uses, population density, and building intensity and standards.

- On September 5, 2001, the Agency accepted the Preliminary Plan and authorized forwarding the Preliminary Plan to taxing entities.
- On September 5, 2001, the City Council adopted the Project Area Committee (PAC) Election and Formation Procedures, and called for formation of the Lodi Redevelopment PAC.
- On September 15, 2001, the Agency mailed a written notice to all residents and business within the proposed Project Area announcing the selection of the Project Area and the intention to form the PAC. The notice also invited businesses, property owners, residential tenants, and community organizations within the proposed Project Area to participate in the PAC and attend a September 25, 2001 Informational Meeting.
- On September 18, 2001, the Agency submitted documents required by CRL Section 33327 to affected taxing entities and the county auditor, assessor, and tax collector. These documents contained a statement that the Redevelopment Plan is being prepared, a description of the proposed Project Area boundaries, and a map indicating the boundaries of the Project Area.
- On September 25, 2001, a public informational meeting was held to provide information on the redevelopment process, formation of the Project Area Committee, and EIR scoping meeting.
- On October 1, 2001, the Agency mailed the Notice of Preparation of a Draft Environmental Impact Report (EIR) to the County Clerk and the distribution list, which included affected or responsible taxing agencies, local, regional, state, and federal government entities, and various other interested individuals and organizations.
- On October 19, 2001, the PAC election was held.
- On November 7, 2001, the City Council adopted a resolution certifying the PAC election.
- On November 27, 2001, the first official PAC meeting was held.

II. Existing Conditions

A. Introduction

This chapter of the Preliminary Report describes existing conditions in the Lodi Redevelopment Project Area, including existing land uses, extent of urbanization, and conditions of blight. Section B of this chapter presents evidence that the Project Area is predominantly urbanized, in accordance with Sections 33320.1 and 33344.5 of the California Community Redevelopment Law (CRL). Sections D and E present adverse physical and economic conditions in the Project Area in accordance with Sections 33030 and 33031. These physical and economic conditions have caused a reduction in the proper use of the area and cannot be reversed or alleviated without the assistance of the Agency through the authority of the CRL.

The CRL requires that a combination of adverse physical and economic conditions be prevalent and substantial for an area to be designated for redevelopment. The adverse conditions found in the Project Area are summarized in various exhibits throughout Chapter II and Appendices C and D, which together constitute the adverse conditions description and map required by CRL Section 33352(b). The map has been broken into submaps for ease of reading and reference since so much information is provided about the geographic spread of adverse conditions throughout the Project Area. The submaps, taken together, demonstrate that adverse conditions are substantial and prevalent, and adversely affect all of the properties in the Project Area. In addition, further documentation of adverse conditions will be provided in the Report to Council.

A survey of the Project Area, its land, building conditions, historical uses, and economic conditions indicate that the Project Area contains eight of the nine statutorily defined categories of blight. The prevalence of adverse physical conditions is discussed primarily in terms of deficient or deteriorating buildings, factors inhibiting the use of land and buildings, incompatible uses, substandard lots, and inadequate public improvements. The prevalence of adverse economic conditions is discussed primarily in terms of depreciated property values, high vacancy rates, declining retail sales, low commercial lease rates, hazardous materials sites, impaired investments, and residential overcrowding.

B. Character of the Area as Predominantly Urbanized

1. Introduction

Under the CRL, a proposed project area must be both urbanized and blighted. This section of Chapter II provides information on the extent of urbanization in the proposed Project Area.

2. Methodology

Conclusions regarding the extent of urbanization in the proposed Project Area are supported by:

- Extensive field reconnaissance surveys.
- Analysis of legal description maps covering the Project Area.
- Review of aerial photographs.

- Discussions with City staff.

Following completion of field reconnaissance surveys and the assembly and analysis of available background information, areas fitting into the various urbanization categories were outlined on maps and a planimeter was used to calculate the total land area within each category

3. Urbanization Requirements of the CRL

a. Reporting Requirements

Section 33344.5(c) of the CRL requires a description of the Project Area which is sufficiently detailed to permit a determination that a proposed redevelopment project area is predominantly urbanized. This section fulfills this requirement.

b. Definition of a Predominantly Urbanized Area - CRL Section 33320.1(b) and (c)

Relevant current provisions of the CRL pertaining to a definition of "predominantly urbanized" are as follows (excerpts from the CRL are italicized):

(b) As used in this section, "predominantly urbanized" means that not less than 80 percent of the land in the project area:

(1) Has been or is developed for urban uses; or

(2) Is characterized by the condition described in paragraph (4) of subdivision (a) of Section 33031;[1] *or*

(3) Is an integral part of one or more areas developed for urban uses which are surrounded or substantially surrounded by parcels which have been or are developed for urban uses. Parcels separated by only an improved right-of-way shall be deemed adjacent for the purpose of this subdivision.

(c) For the purposes of this section, a parcel of property as shown on the official maps of the county assessor is developed if that parcel is developed in a manner which is either consistent with zoning or is otherwise permitted under law.

4. Extent of Urbanization in the Proposed Project Area

The analysis of the extent of urbanization presented on the following page clearly demonstrates that the Project Area meets the urbanization requirements of the California Community Redevelopment Law.

The analysis supporting this conclusion is based upon the three categories used in the definition of "predominantly urbanized" contained in Section 33320.1(b) of the CRL (see above). This analysis, presented in Table II-1, Calculation of the Extent of Urbanization, indicates that 100 percent of the Project Area is predominantly urbanized, thus meeting the requirement that at least 80 percent of the area be urbanized.

The map presented as Figure II-1, Urbanization Map, shows the location of the various land use categories used in the urbanization analysis.

[1] Paragraph (4) of subdivision (a) of Section 33031 states "The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership."

5. Area That Has Been or Is Developed for Urban Uses

Nearly all the proposed Project Area has been or is developed for urban uses. This category includes approximately 1,181 acres (or 99.7 percent) of the total land within the Project Area (1,184 acres). The location of this area is shown on Figure II-1, Urbanization Map.

6. Inclusion of Areas Characterized by the Conditions Described in Subdivision (a)(4) of Section 33031

No area that meets this description has been included for the purpose of this urbanization analysis.

7. Inclusion of Areas That Are Integral Parts of Developed Areas

The proposed Project Area includes one area of approximately 3 acres (or 0.3 percent of the Project Area) that has been designated as an integral part of an area developed for urban uses. Although this area is currently undeveloped, it is surrounded by urbanized land and is an integral part of a fully urbanized industrial area. The location of this area is shown on Figure II-1, Urbanization Map.

8. Inclusion of Unurbanized Land for Planning Purposes

No area that meets this description has been included for the purpose of this urbanization analysis.

9. Inclusion of Agricultural Land

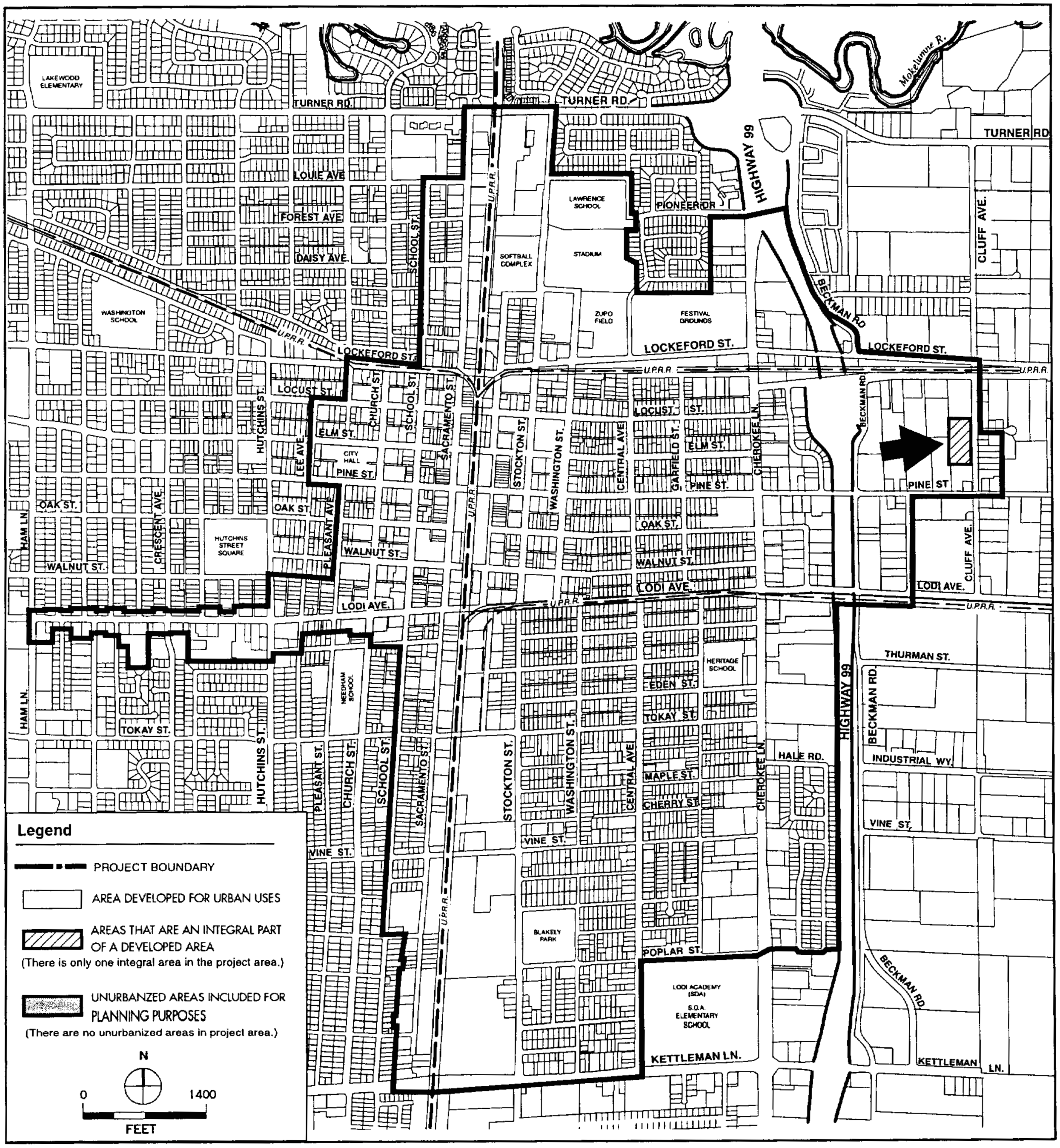
The Preliminary Report, upon which the forthcoming Report on the Redevelopment Plan will be based, must discuss the extent of agricultural land in the Project Area. Section 33344.5(c)(3) of the Redevelopment Law requires identification of lands in agricultural use.[2] There are no lands in agricultural use, as defined in Section 51201(a) and (b) of the Government Code, within the boundaries of the proposed Lodi Redevelopment Project.

[2] As provided in the above cited section, "agricultural use" has the same meaning as defined in Section 51201(a) and (b) of the Government Code which states: (a) "Agricultural commodity" means any and all plant and animal products produced in this state for commercial purposes, and (b) "Agricultural use" means use of land for the purpose of producing an agricultural commodity for commercial purposes.

Table II-1
Calculation of the Extent of Urbanization
Lodi Redevelopment Project

Part One: Extent of Urbanization		
Urbanization Categories	Acres	Percent
1. Area that has been or is developed for urban uses	1,181	99.7%
2. Area that is characterized by the conditions described in subdivision (a)(4) of Section 33031	0	0.0%
3. Area that is an integral part of an area developed for urban uses	3	0.3%
Total Predominantly Urbanized Area	**1,184**	**100%**
4. Unurbanized areas included for planning purposes	0	0.0%
Total Urbanized and Unurbanized	**1,184**	**100%**

Part Two: Inclusion of Agricultural Land		
Urbanized and Unurbanized	Acres	Percent
1. Predominantly urbanized land in agricultural use	0	0%
2. Unurbanized land in agricultural use	0	0%
Total Land in Agricultural Use	**0**	**0%**



SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE II-1: URBANIZATION MAP

C. Characteristics of a Blighted Area

Relevant provisions of the California Community Redevelopment Law (CRL) describing the characteristics of a blighted area are as follows:

Section 33030

(a) *It is found and declared that there exist in many communities blighted areas which constitute physical and economic liabilities, requiring redevelopment in the interest of the health, safety, and general welfare of the people of these communities and of the state.*

(b) *A blighted area is one that contains both of the following:*

 (1) *An area that is predominately urbanized, as that term is defined in Section 33320.1, and is an area in which the combination of conditions set forth in Section 33031 is so prevalent and so substantial that it causes a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment.*

 (2) *An area that is characterized by either of the following:*

  (A) *One or more conditions set forth in any paragraph of subdivision (a) of Section 33031 and one or more conditions set forth in any paragraph of subdivision (b) of Section 33031.*

  (B) *The condition described in paragraph (4) of subdivision (a) of Section 33031.*

(c) *A blighted area also may be one that contains the conditions described in subdivision (b) and is, in addition, characterized by the existence of inadequate public improvements, parking facilities, or utilities.*

Section 33031 of the California Community Redevelopment Law describes both physical and economic conditions that can be used to determine if an area is blighted and in need of redevelopment. These factors are summarized as follows:

a. Adverse Physical Conditions, Section 33031(a)

The CRL definition for physical blight is as follows:

Deficient or Deteriorated Buildings
Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors. 33031(a)(1)

Factors that Inhibit Proper Use of Buildings or Lots
Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. This condition can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors. 33031(a)(2)

Incompatible Uses
Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area. 33031(a)(3)

Substandard Lots
The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership. 33031(a)(4)

b. Adverse Economic Conditions, Section 333031 (b)

The CRL definition for economic blight is as follows:

Depreciated Values or Impaired Investments
Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous wastes that require the use of agency authority as specified in Article 12.5 (commencing with Section 33459). 33031(b)(1)

Economic Indicators of Distressed Buildings or Lots
Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities. 33031(b)(2)

Lack of Neighborhood Commercial Facilities
A lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions. 33031(b)(3)

Residential Overcrowding or Problem Businesses
Residential overcrowding or an excess of bars, liquor stores, or other businesses that cater exclusively to adults, that has led to problems of public safety and welfare. 33031(b)(4)

A High Crime Rate
A high crime rate that constitutes a serious threat to the public safety and welfare. 33031(B)(5)

The analysis in Sections D and E below demonstrates that adverse physical and economic conditions exist throughout the Project Area.

D. Assessment of Existing Conditions

1. Standard for Assessment

The standard for the general assessment of physical and economic conditions used by the consultants are the provisions of the CRL pertaining to the definition of a redevelopment project area and its characteristics as cited above.

2. Definition of Survey Areas

A total of eight survey areas have been defined as a means of facilitating the assembly and analysis of data and the presentation of findings. The boundaries of the survey areas are shown on Figure II-2, Building Conditions Survey Areas, presented on the following page.

3. Field Reconnaissance Surveys and Photography

Several major steps were taken to assess existing conditions in the proposed Project Area. These steps include, but are not limited to the following:

a. Field Reconnaissance Surveys Leading to the Designation of Project Area

Early in the year 2000, a number of field reconnaissance surveys were conducted by the consultants as a means of assessing existing conditions and the need for redevelopment in the community. Preliminary Project Area boundaries were defined and extensive discussions with city staff were held. At the end of this process, City staff recommended boundaries to the City Council for approval. In February 2000, the City Council approved the Project Area.

b. Field Reconnaissance Surveys Supporting the Feasibility Report

Following approval of the Project Area, additional field reconnaissance surveys were conducted to further assess the extent of adverse physical and economic conditions in the area. These conditions were then described in the Feasibility Report, Proposed Lodi Redevelopment Project, approved by the Lodi City Council on June 7, 2000. The report also provided preliminary recommendations on redevelopment project boundaries.

c. Building Conditions Survey

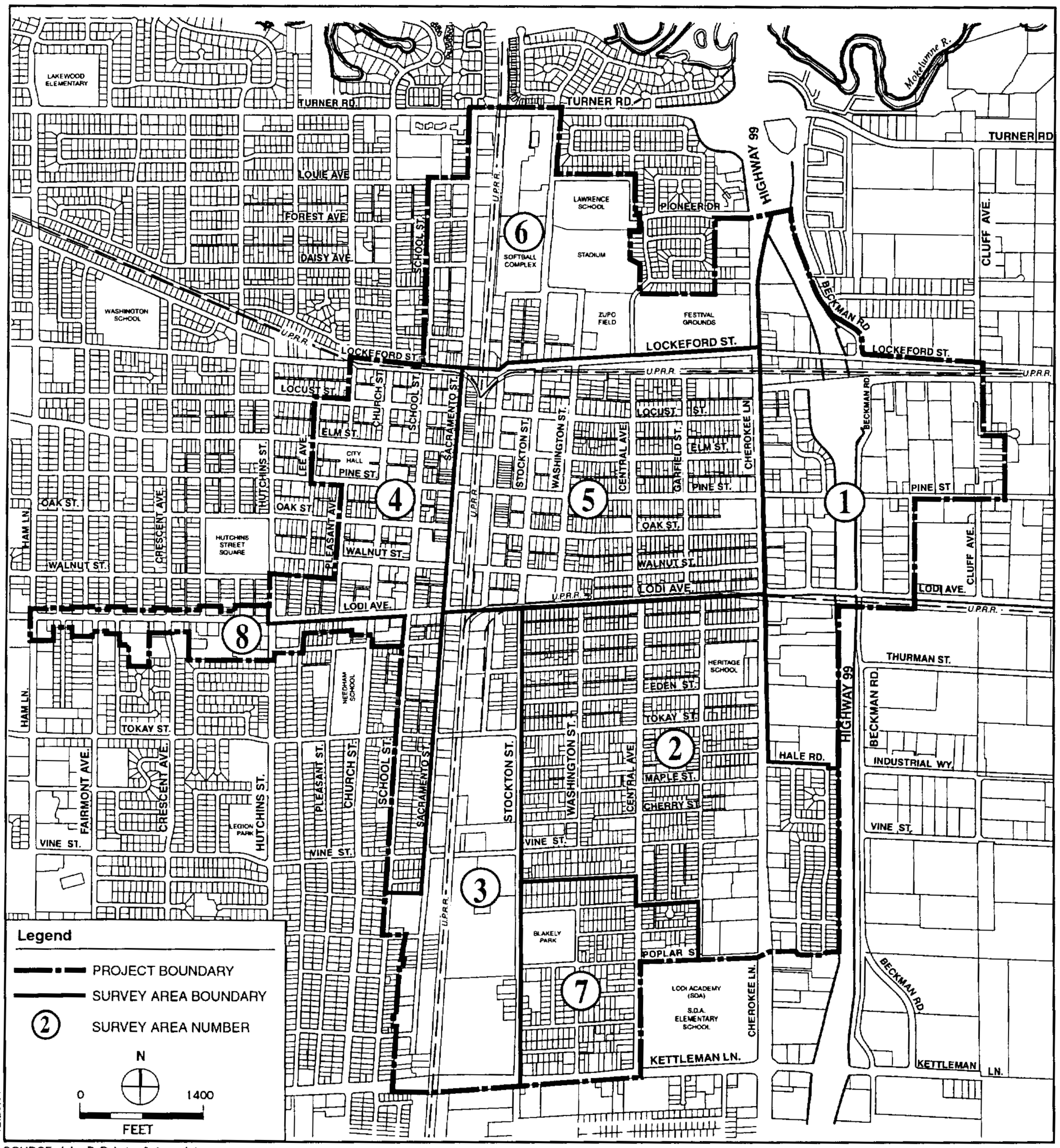
A comprehensive Building Conditions Survey was conducted in March and April 2000. The Building Conditions Survey was later updated in September 2001. Approximately eleven working days were required to complete the survey and update. More detail on the Building Conditions Survey is provided below.

d. Photographic Documentation

Several more days of field survey work were required to complete the photographic documentation of existing conditions in the Project Area. These photographs are presented in Appendix D, Photographic Documentation, of this Preliminary Report.

e. Economic Analysis

Since early 2000, information on observed adverse economic conditions including vacancies, indicators of disinvestment and residential overcrowding, and underutilization of properties has been gathered and analyzed to document adverse economic conditions in the Project Area. The results of this analysis are presented below.



SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE II-2: BUILDING CONDITIONS SURVEY AREAS

E. Adverse Physical Conditions

1. Introduction

This section describes adverse physical conditions within the boundaries of the proposed Lodi Redevelopment Project Area. It describes deficient or deteriorated buildings, factors that inhibit proper use of buildings or lots, the presence of incompatible uses and substandard lots, and public improvement deficiencies.

The information contained in this subsection responds directly to the characteristics of adverse physical conditions described in Section 33031(a) of the CRL (as previously described in Section C, Characteristics of a Blighted Area).

Adverse physical conditions found in the proposed Project Area fall within the four categories of physical blight as specified in the CRL:

- Deficient or deteriorated buildings resulting in unsafe and unhealthy condition.
- Factors that inhibit proper use of buildings.
- Incompatible uses.
- Substandard lots.

2. Earthquake Hazards

a. Introduction

No active faults are known to cross the Project Area. However, groundshaking from an earthquake outside the Project Area may cause damage to structures. Earthquake damage may be higher if liquefaction occurs.[3] As discussed below, the Project Area is susceptible to liquefaction.

b. Soils Conditions

The Project Area is underlain by thick alluvium and includes unconsolidated and semi-consolidated material. The Project Area could experience strong seismic groundshaking and related effects (e.g., liquefaction) in the event of an earthquake on identified active or potentially active faults in the region.

c. Potentially Hazardous Buildings

Unreinforced Masonry Buildings

Unreinforced masonry buildings have proved to be particularly hazardous during an earthquake. Such buildings are typically constructed of brick, hollow tile, or concrete block and often lack the structural strength to resist a moderate to strong earthquake.

[3] Draft EIR for the City of Lodi General Plan, Jones & Stokes Associates, Inc.

A post-earthquake assessment of buildings after the Loma Prieta Earthquake in 1989 provided information on the performance of unreinforced masonry buildings:

> Unreinforced masonry (URM) buildings have once again proven to be one of the most hazardous forms of building construction. Many of these structures collapsed, either partially or completely. Collapse of exterior walls also led to damage of neighboring structures. Seismically upgraded URM buildings performed substantially better than nonretrofitted buildings.[4]

The State of California now requires the identification of unreinforced masonry buildings. Counties, cities, and towns are also required to take steps to ensure the reinforcement of such buildings to a condition that provides a reasonable level of safety during a seismic event. The City is actively pursuing such a program.

Within the downtown commercial area, there are several old, possibly historic unreinforced masonry buildings with cracks and little exterior evidence of earthquake retrofit. Observed adverse conditions include structurally unsound commercial buildings. Some are likely to be hazardous in the event of an earthquake.

3. Deficient or Deteriorated Buildings

a. Age of Buildings

The proposed Project Area contains a wide range of building types and ages. For example, the downtown has several large commercial and hotel buildings that date back to the late 19th Century. These buildings, located mainly on Main and Sacramento Streets, were oriented to the railroad and are more than 100 years old.

Later development in downtown began to focus on School Street, where most of the remaining large buildings were built in the first part of the 20th Century during the years 1900 through 1930. A number of these buildings are more than 75 years old.

Although building in downtown slowed during the depression that followed the economic collapse of 1929, a small number of buildings were added during the 1930s. These additions were followed by larger commercial and bank buildings, mainly of one-story construction, in the period following World War II. Some of the buildings built during this period are now more than 50 years old.

Many of oldest residential buildings are located in the easterly part of the Project Area. These include a scattering of architecturally and historically interesting Victorians, many homes built during the 1920s and 1930s, and some homes built in the post World War II era. Thus, residential buildings in the proposed Project Area typically range in age from 40 years to more than 100 years old.

b. Field Observations

Several field reconnaissance surveys conducted in 2000 and 2001 identified a wide range of adverse physical conditions in the proposed Project Area. These conditions, which are described

[4] The October 17, 1989 Loma Prieta Earthquake, Dames & Moore, 1989.

below, provide substantial evidence of physical blight in terms of the redevelopment project eligibility requirements of the CRL. These conditions include:

- **Deteriorated Residential Structures.** Such conditions include deteriorated roofing, siding, foundations, stairs and decks, peeling paint, etc. Unsafe and unhealthy residential buildings were observed at various locations in the Project Area.
- **Unoccupied, Dilapidated, and Abandoned Residential Structures.** A number of these residences are located in the Project Area. In many cases deterioration is so extensive that it is likely that the cost of repairs and code compliance would exceed the value of the building.
- **Residential Structures with Informal and Potentially Substandard Construction.** Parts of structures affected by such conditions include inadequate and/or unsafe foundations, cripple walls, walls, decks, stairs, roofs, electrical wiring, plumbing, etc. These conditions are found in a very large number of residences in the area.
- **Small Deteriorated Residential Units located on Narrow Alleys.** These units are to be found generally in the oldest residential neighborhoods bounded by Lockeford Street, Cherokee Lane, Vine Street, and Stockton Street.
- **Structurally Unsound Residential Structures.** These include residences without adequate foundations or other structural problems, indicating that they may be unsafe to occupy.
- **Deteriorated Commercial Structures.** Such structures are concentrated mainly in downtown on Sacramento Street and along the Cherokee Lane commercial corridor.
- **Old, badly deteriorated hotel buildings in downtown on Main and Sacramento Streets.**
- **An abandoned theater building on Lodi Avenue.**
- **A Large, Dilapidated, and Abandoned School on Cherokee Lane.** This building, the old Lincoln School, is potentially of architectural and historic interest, but requires significant investment in order to be safely occupied.
- **Large, Unreinforced Masonry Brick Buildings of Questionable Structural Stability.** These buildings are located mainly on Sacramento Street. Conditions observed in these buildings include serious mortar and brick erosion in bearing walls. Most are unoccupied or underutilized. Several of these are of architectural and historical importance and should be, if at all possible, retrofitted, rehabilitated, and put to economic use.
- **Commercial Structures with Informal and Possibly Substandard Construction.** These conditions include informal additions and repairs. Many structures provide evidence of such conditions.
- **Unoccupied and Apparently Abandoned Commercial Structures.**

Further evidence of these observed conditions will be found in Appendix D, Photographic Documentation.

c. The Building Conditions Survey

A comprehensive Building Conditions Survey was conducted to evaluate building conditions in the Project Area.

Methodology

The Building Conditions Survey was conducted primarily from an automobile. However, in some locations, such as in downtown Lodi, the survey was conducted on foot. Interior inspections were generally not conducted. However, in some cases where access to the interior was appropriate, informal interior inspections were conducted.

Every major building was rated by the consultant (who has over 38 years of directly relevant experience) on a scale of 1 (worst condition) to 5 (best condition). Some buildings required a second examination. Appropriate changes were made to ratings when warranted.

Professional Opinion

The building condition ratings represent the professional opinion of the consultant (John Dykstra).

Qualifications of the Consultant

The qualifications of the consultant include 4 years as a real estate appraiser and negotiator (commercial and residential properties), 12 years as a redevelopment planner and administrator (San Francisco Redevelopment Agency), 22 years in private practice (redevelopment planning, implementation, and existing conditions assessment), and testimony in court and before public bodies as an expert witness (on redevelopment plan adoption matters and existing conditions).

Standards and Criteria Used for Building Condition Ratings

The general standards and criteria used in assessing the physical condition of buildings are summarized in Table II-2, Building Conditions Assessment, presented on the following page.

Building Conditions Survey Results

Building condition ratings for individual buildings are tabulated, summarized, and presented for both the proposed Redevelopment Project Area as a whole and for the eight survey areas. To protect the privacy of property owners and building occupants, ratings for individual buildings are not reported.

Building conditions in the proposed Project Area range from excellent to dilapidated. Some buildings are new, and many other buildings have been rehabilitated to a very high standard. However, many buildings in the area were built over 40 years ago, without benefit of building inspection and to a building standard that is not currently up to code, and a large number of these suffer from age and neglect. As a result, a relatively high proportion of substandard and deteriorated buildings can be found in the area.

A total of 3,382 buildings were evaluated. Of this total, 850 (or 25 percent) were found to be in the top three building condition categories (which range from category 3, generally good condition to category 5, generally excellent condition). The likely cost of correcting deficiencies in these buildings ranges from "significant" (category 3) to "minor to low" (category 5).

Nevertheless, 2,532 buildings (or 75 percent) were found to be in the lower two rating categories, where extensive physical deficiencies are present. The cost of correcting these deficiencies is likely to be high, and economic rehabilitation of many of these buildings could be both difficult and expensive.

The results of the Building Condition Survey for the proposed Project Area are summarized in Table II-3, Building Conditions Survey Results, Total Area. A map summarizing the average building condition ratings for each of the eight survey areas is presented as Figure II-3, Average Building Conditions Ratings by Survey Area. More detail on the distribution of adverse building conditions in the Project Area is presented in Appendix C, Building Conditions Ratings by Survey Areas and Subareas. These results clearly indicate that there is a prevalence of serious building deficiencies in each of the eight survey areas.

Relationship Between Building Conditions and Health and Safety Problems

There is a strong relationship between the condition of buildings documented in the Building Conditions Survey and health and safety problems in these same buildings. Buildings rated in category 1 (worst condition) are buildings characterized by adverse conditions such as abandonment, dilapidation, very bad deterioration, potentially hazardous structural problems (deteriorated, sagging, or failing wood, concrete, or brick walls, for example), very extensive deferred maintenance, or a combination of problems, which taken in their totality, provide strong evidence of physical blight and the presence of health and safety hazards. Buildings rated in category 2 are characterized by many of these same conditions, but to a lesser degree. These conditions are depicted and described extensively in Appendix D, Photographic Documentation.

Based upon the exterior Building Conditions Survey described above, and in the professional judgement of the consultant, nearly all of the buildings rated as building conditions category 1 and the majority of buildings rated as category 2 have conditions that are, to one degree or another, unsafe or unhealthy.

Photographic Documentation

Photographs illustrating deficient or deteriorated buildings and other adverse physical and economic conditions in the Project Area are presented in Appendix D, Photographic Documentation. Not only do these photographs and related maps demonstrate that physical and economic blight is prevalent throughout the Project Area, but they also show conditions and buildings that could benefit from redevelopment sponsored activities such as environmental cleanup and residential rehabilitation. For more details, reference should be made to Appendix D. These photographs represent conditions in all parts of the Project Area.

Table II-2
Building Conditions Assessment

STANDARDS USED IN ASSESSING BUILDING CONDITIONS	
Specific Standard:	The provisions of the California Community Redevelopment Law pertaining to blight
General Standard:	The relative cost of correcting building deficiencies, code compliance problems, and seismic safety problems to a degree sufficient to ensure a relatively long-term physical and economic life (i.e., 20-40 years)

Building Condition Rating	General Condition	Likely Cost of Correcting Deficiencies[6]	Potential for Private Economic Rehabilitation[7]
1	Very extensive physical/structural deficiencies (often dilapidated)[1]	Very high	Very difficult, if not impossible
2	Extensive physical/structural deficiencies[2]	High	Difficult
3	General good condition, some deficiencies present[3]	Significant	Possible
4	Relatively few deficiencies present[4]	Low to moderate	Relatively easy
5	General excellent condition[5]	Minor to low	None required

1. Typical conditions present include Major Adverse Physical Conditions or a significant combination of Other Adverse Physical Conditions.
2. Typical conditions present include a number of Other Adverse Physical Conditions or significant cumulative deferred maintenance.
3. Typically some Other Adverse Physical Conditions are present.
4. Typically few Other Adverse Physical Conditions are present.
5. Typically no Other Adverse Physical Conditions are present.
6. To the "General Standard" set forth above.
7. Without redevelopment assistance.

ADVERSE PHYSICAL CONDITIONS CONSIDERED IN ASSESSING BUILDING CONDITIONS

Major Adverse Physical Conditions

- General dilapidation (very serious deterioration of entire structure or major parts thereof)
- Apparent abandonment (vandalized or boarded up buildings)
- Structural failure (cracking or subsided foundations, sagging walls or roofs, etc.)
- Structural weakness (buildings without adequate foundations, substandard construction, unreinforced masonry walls, etc.)

Other Adverse Physical Conditions

- Potential seismic weakness
- Deferred maintenance and neglect
- Broken windows
- Peeling or faded paint
- Sagging porches
- Dry rot in walls, window frames, door frames, doors, roof rafters, and trim
- Deteriorated, damaged, poorly repaired, or excessive layers of roofing materials
- Cracks or loose bricks in chimneys
- Deteriorated, broken, or loose siding materials
- Deteriorated or broken stucco walls
- Rusted, deteriorated, or missing roof drainage gutters or down spouts
- Faulty wiring or plumbing
- Old and possibly substandard and hazardous electrical service
- Eroded mortar or loose bricks in masonry walls
- Informal or substandard construction

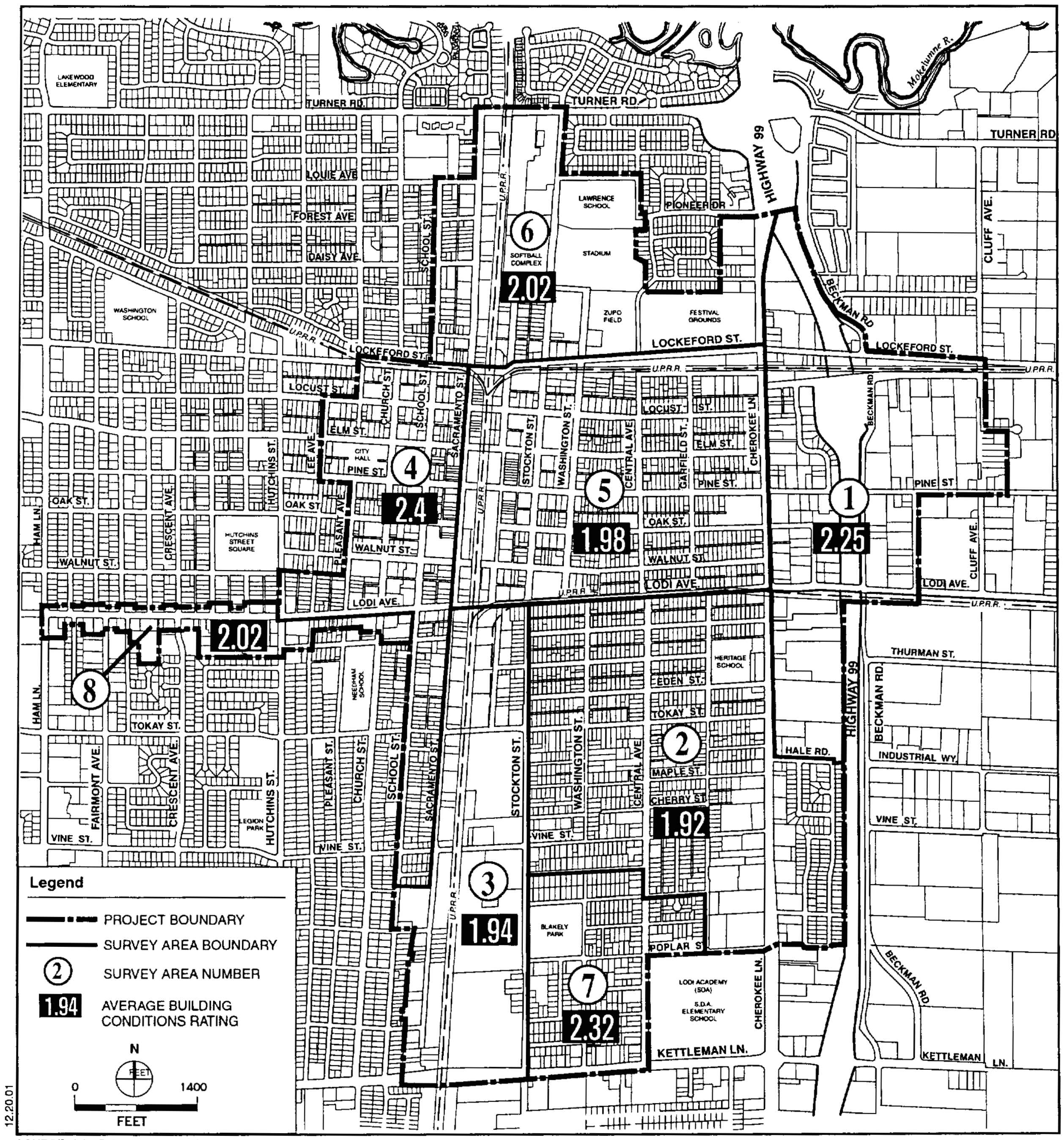
Table II-3

Lodi Redevelopment Project

BUILDING CONDITIONS SURVEY RESULTS
TOTAL AREA

Building Conditions Rating	Number of Buildings
1	974
2	1,558
3	725
4	106
5	19
Totals	3,382

Average Building Conditions Ratings: 2.01



SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE II-3: AVERAGE BUILDING CONDITIONS RATINGS BY SURVEY AREA

4. Factors That Inhibit Proper Use of Buildings or Lots

A review of available maps and extensive field reconnaissance surveys has permitted the identification of several factors that inhibit the proper use of land and buildings. These factors, which are generally prevalent throughout the area, include:

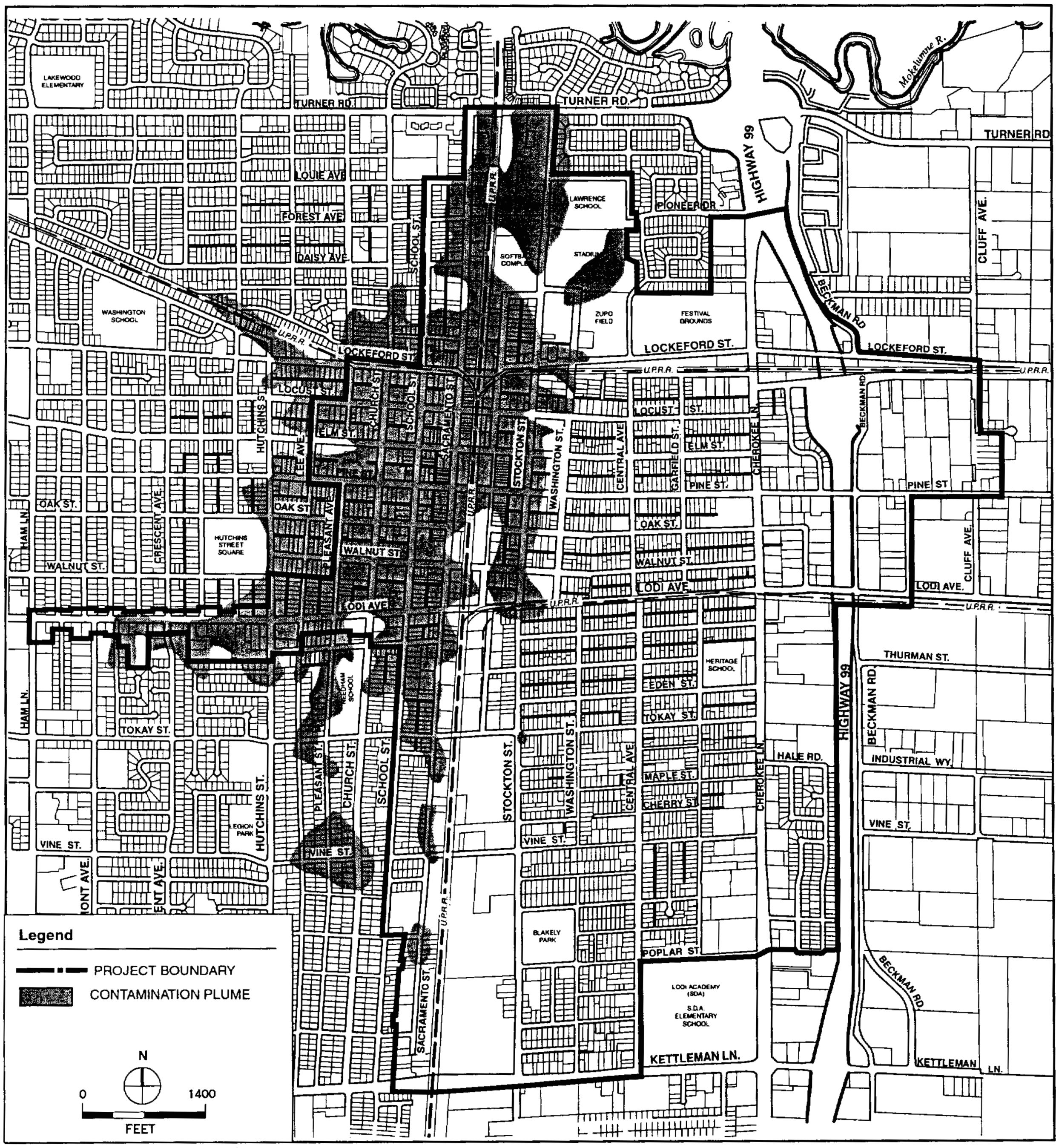
- Properties that Suffer from Soils and Groundwater Contamination. The extent of this contamination is shown on Figure II-4, Limits of Identified Soils and Groundwater Contamination Plumes and Figure II-5, Limits of Major Soils and Groundwater Contamination Plumes presented on the following pages.[5]
- Properties that are Adjacent to Deteriorated, Vacant, or Abandoned Buildings.
- Lots of Small Size or Irregular Shape that are Difficult to Develop.
- Properties that are Adversely Affected by a Location Next to the Railroad.
- Commercial and Residential Lots Lacking Adequate Off-Street Parking.
- Commercial Uses along Lodi Avenue, Cherokee Lane, and Kettleman Lane that are Adversely Impacted by Fast Moving Traffic.

5. Incompatible Uses

A number of incompatible uses have been identified in the proposed Project Area:

- Residential Uses in Proximity to the Railroad. Such uses are to be found along Sacramento and Main Streets where they are adversely affected by noise and vibration.
- Residential Uses in Close Proximity to Active Industrial or Packing Plant Uses. Such uses as these are located on Sacramento Street between Lodi Avenue and Kettleman Lane and Stockton Street between Lodi Avenue and Kettleman Lane. Adjacent residential uses may be adversely affected by fork lift and truck movements which produce noise and safety hazards.
- Commercial and Residential Uses Located Adjacent to Dilapidated, Vacant, or Abandoned Properties.

[5] Figures II-4 and II-5 are based on 1996 Northeast Research Institute maps. This analysis will likely be updated in the Report to Council as more recent data becomes available.

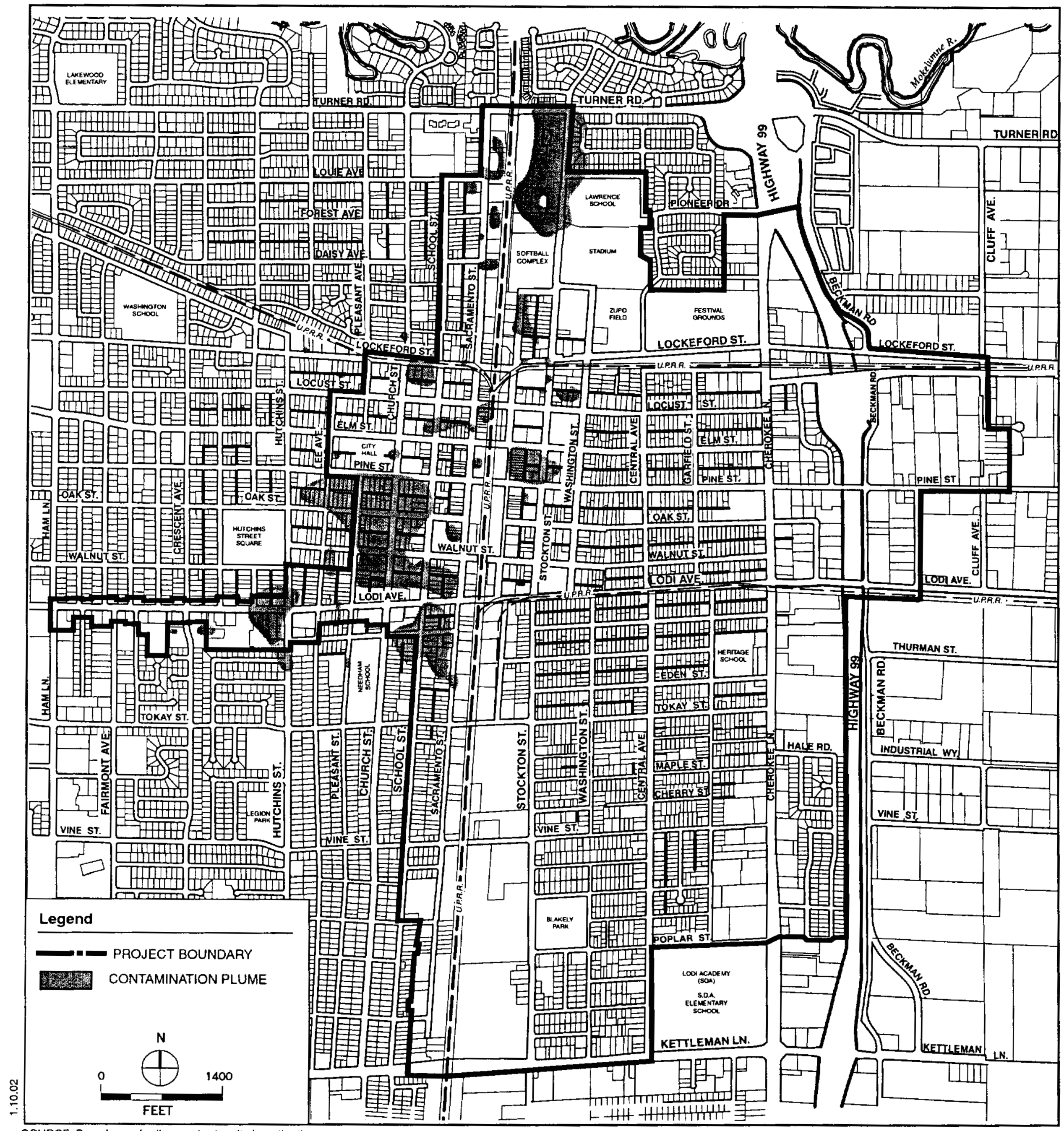


1.10.02

SOURCE: Based upon Lodi groundwater site investigation maps
prepared by NERI (Northeast Research Institute), 1996

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE II-4: LIMITS OF IDENTIFIED SOILS AND GROUNDWATER CONTAMINATION PLUMES



SOURCE: Based upon Lodi groundwater site investigation maps prepared by NERI (Northeast Research Institute), 1996

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE II-5: LIMITS OF MAJOR SOILS AND GROUNDWATER CONTAMINATION PLUMES

6. Substandard Lots

The economic use and proper and timely development of property in the proposed Project Area is affected by formal and informal subdivision practices that have, over the years, produced a large number of lots that are, or are likely to be, substandard to economic development. Areas adversely impacted by the presence of such lots include, but are not limited to:

- Small and Substandard Residential Lots. These lots typically front on alleys in the eastern part of the Project Area in the blocks bounded by Lockeford Street, Cherokee Lane, Vine Street and Stockton Street.
- Small Commercial Lots in Downtown along School Street.
- Small, Difficult to Develop Commercial Lots along Cherokee Lane.
- Small lots in commercial and industrial areas that are substandard to modern economic use, including lots on the east side of North Sacramento Street at the intersection with Lockeford Street, lots to the north and south of Lodi Avenue on Sacramento Street, and lots on the east side of Sacramento opposite Park Street.

These parcels are shown on the map presented as Figure I-1, Project Area Boundary Map.

7. Public Improvement Deficiencies

Although the California Community Redevelopment Law no longer permits the use of deficient public improvements as a determining, or "stand alone" blight factor, such deficiencies can still be considered when it can be demonstrated that they contribute to adverse physical and economic conditions in a project area.

Extensive field reconnaissance surveys have permitted the identification of a number of public improvement deficiencies that, to one degree, contribute to blight in certain areas of the proposed Project Area. These deficiencies include:

- Deteriorated Pavement Surfaces. These conditions were found at various locations in the Project Area.
- Unpaved or Poorly Paved Alleys.
- Narrow Alleys that Provide Substandard Access for Small, "back lot" Houses or Cottages.
- Aging and Frequently Inadequate Storm Drainage Systems.
- Lack of Public Community Facilities, such as Libraries and Community Centers in Residential Areas.
- Parking inadequacies due to the poor location of parking resources in relationship to parking demand.

The Project Area, and the East Side neighborhood in particular, contains aging, obsolete and inadequate wastewater utilities. The City's wastewater collection system is reaching an age in which older lines (primarily in the East Side) need to be replaced. Many of these lines are concrete pipes, which suffer from chemical corrosion and do not have capacity for the present demand.[6]

For further evidence of these conditions reference should be made to the photographs contained in Appendix D, Photographic Documentation.

F. Economic Conditions That Cause a Reduction of, or Lack of, Proper Use of the Proposed Project Area

1. Introduction

Economic blight is evidenced in the downtown by large store frontages with "for rent" signs or paper in the windows, despite considerable public and private investment in the streetscape. In the industrial areas, economic blight is evidenced by abandoned buildings and "property for rent" signs on warehouses.

Adverse economic conditions found in the proposed Project Area fall within four categories of economic blight as specified in the CRL and generally described as:

- Depreciated values or impaired investments.
- Economic indicators of distressed buildings or lots.
- Residential overcrowding.
- A high crime rate.

a. Methodology

Economic blighting conditions were evaluated under the blight definitions contained in the CRL through the following methods:

- Field surveys of Project Area physical and economic conditions.
- Review and analysis of technical documents and data from public and private agencies.
- Discussions with government staff and persons knowledgeable about the area.

Refer to Appendix A for a complete list of documents and data sources used in the economic blight documentation.

b. Summary of Observed Economic Blight

Deteriorated residences, boarded-up commercial and residential buildings, vacancies, and other observed physical and economic conditions provide substantial evidence of depreciated values and impaired investments. Depreciated property values and impaired investments are evident in the four commercial areas within the proposed Project Area: Downtown Lodi, Cherokee Lane, Lodi Avenue and Kettleman Lane. Economic conditions in these two commercial areas were historically linked to the railroad when it was the focus of economic activity. The rail corridor has become almost devoid of commercial activity since new modes of transportation have replaced trains.

[6] City of Lodi Financial Plan and Budget, 1999-2001.

Downtown Lodi is not as strong as other commercial areas of the City outside the Project Area. The deteriorated appearance of a number of the Downtown's buildings and the lower level of retail activity indicate that shoppers prefer to shop in other commercial areas (see retail sales tax analysis).

Commercial lease rates are low in the Downtown and along Cherokee Lane compared to other commercial areas in Lodi. Shopping centers along Kettleman Lane command significantly higher rents than the Downtown. Commercial rents are significantly lower in the area east of the Union Pacific railroad tracks, where properties are more deteriorated, than they are west of the railroad tracks.

Disinvestment has been a problem along Cherokee Lane since the 1980s, when Highway 12 (Kettleman Lane) became the preferred location for commercial development, especially in the southwest portion of the City. Cherokee Lane was Lodi's first highway commercial corridor, when commercial businesses moved there from the Downtown in the 1960s to serve highway traffic. Highway 99 now bypasses Cherokee Lane, channeling highway traffic away from commercial uses on Cherokee Lane. The Cherokee Lane corridor reflects this past, with a mix of auto sales and services, motels, drive-in restaurants, liquor stores, and the K-Mart/Orchard Supply shopping center. Auto sales, services and lodging, oriented to highway traffic, remain the most prominent forms of development along the street.

Adverse economic conditions observed during field reconnaissance surveys include, but are not limited to, the following:

- Deteriorated or poorly maintained commercial properties that provide evidence of impaired investments and depreciated property values. Such buildings are found at various locations in the Downtown on Sacramento Street, and along Cherokee Lane.
- Vacant ground floor commercial spaces that are common in buildings located on the west side of North and South Sacramento Street between West Elm and West Oak Streets and on the north side of West Pine Street between North Sacramento and School Streets.
- Vacant second floor spaces in the Downtown in buildings that lack elevators and are poorly served by substandard stairways.
- Underutilized properties.
- Large number of lots that are likely to be substandard to economic development.
- Outmoded, obsolescent buildings, such as the abandoned theater building on Lodi Avenue.
- Commercial buildings with marginal occupancy. These buildings, which are found throughout the downtown and industrial areas, may not be delivering reasonable economic return to their owners or investors.
- Deteriorated, dilapidated and abandoned residences. Such buildings, many of which are located in the older residential area, often provide evidence of impaired investments.

For further evidence, refer to Appendix C, Building Conditions by Survey Areas and Subareas, and Appendix D, Photographic Documentation.

2. Depreciated Values or Impaired Investments

This section documents the presence in the proposed Project Area of blighting conditions described in CRL Section 33031(b)(1), including depreciated or stagnant property values, impaired investments and properties containing hazardous materials. This section documents the presence of depreciated or stagnant property values or impaired investments in the Project Area by reporting on the:

- Poor economic performance of retail businesses.
- Residential sale prices below comparable city properties.
- Lodging establishments with lower revenues per room as compared to establishments outside the Project Area.
- Presence of hazardous materials.

a. Poor Economic Performance of Retail Businesses

Stagnant sales tax receipts in the Project Area, including the commercial subareas of Downtown, East Kettleman Lane (the north side between Sacramento Street and Central Avenue), West Lodi Avenue (to Ham Lane) and Cherokee Lane (divided between north and south subareas), are an indicator of depreciated values and impaired investments within the Project Area. Many retail businesses in the Project Area experienced declining retail sales between 1994 and 2001. The retail sales analysis is based on retail sales tax receipts data for retail businesses in the Project Area, the City of Lodi and San Joaquin County for the five year period from 1994 to 2001.[7]

During the past seven years sales tax receipts have grown by 0.6 percent when adjusted for inflation in the Project Area, while they have grown 2.5 percent in the City of Lodi and 4.4 percent in San Joaquin County. Sales tax receipts in the Project Area represented about 41 percent of total sales tax revenues collected in Lodi.[8]

[7] Based on analysis of sales tax data for 1994 to 2001 provided by HdL Coren & Cone for all businesses in Lodi.

[8] The sales tax trend analysis was calculated using constant 2001 dollars to adjust for inflation. The CPI for all urban consumers for the San Francisco/Oakland MSA for the seven-year period between 1994 and 2001 was used to adjust the sales tax to 2001 constant dollars.

Table II-4
Sales Tax Receipts
Comparison of Lodi Commercial Areas
5-Year Trend (Adjusted for Inflation)

Fiscal Year Ending	Sales Tax Receipts 1994/95	Sales Tax Receipts 2000/01	Average Annual Percent Change
Project Area Total	$2,796,953	$2,893,426	0.6%
City of Lodi Total	$5,943,039	$6,992,051	2.5%
San Joaquin County	$45,412,243	$60,737,389	4.4%

Source: Historical sales tax revenue for all outlets based on data provided by HdL Coren and Cone, November 2001.

The proposed Project Area generated retail sales tax receipts of about $2.8 million in 2001.[9] Most of the retail sales outside the Project Area are generated by businesses along West Kettleman Lane in Sunwest Plaza, Target Center, and Vineyard Shopping Center, and on Ham Lane in Lakewood Mall.

Most of the retail sales in the Project Area are generated by businesses in Downtown, and along East Kettleman Lane, North and South Cherokee Lane and West Lodi Avenue. The five commercial subareas generated about $1.8 million in sales tax revenues, while all commercial establishments in the Project Area generated approximately $2.8 million according to sales tax data provided by HdL Coren and Cone (HdL). All five retail areas had retail sales trends below the City and County between 1992 and 2001. Table II-5 shows trends in retail sales growth for all six retail areas in the Project Area.

During the past nine years Cherokee Lane is the only commercial subarea where sales tax receipts grew in the Project Area. Sales tax receipts in North Cherokee Lane grew by only .6% and receipts in South Cherokee Lane grew by only .2%, less than one-quarter the City rate.

As noted above in Section E.3.b Field Observations, Cherokee Lane and the Downtown, especially Sacramento Street, also contain a significant number of commercial structures that exhibit physical deterioration, possibly substandard construction, or are unoccupied or abandoned. Cherokee Lane is also adversely affected by small lots that are difficult to develop.

[9] Based on the number of businesses that paid sales tax during the first quarter of 2001.

Table II-5
Historical Sales Tax Revenue to City by Subarea
Lodi Redevelopment Project

Location	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	Average Annual % Change
East Kettleman Lane	$37,179	$35,854	$35,338	$34,377	$32,132	$31,858	$32,565	$32,855	$36,969	-0.1%
Downtown	$413,130	$405,220	$374,322	$371,815	$367,415	$365,136	$367,607	$371,974	$364,195	-1.6%
West Lodi Avenue	$265,878	$247,381	$224,357	$224,825	$231,582	$217,540	$209,324	$207,728	$186,197	-4.4%
South Cherokee Lane	$684,031	$694,762	$646,605	$676,699	$633,124	$643,994	$654,959	$681,295	$719,563	0.6%
North Cherokee Lane	$532,317	$472,665	$398,016	$436,690	$439,052	$422,610	$384,275	$466,258	$540,277	0.2%

Source: Historical sales tax revenue for all outlets based on data provided by HdL Coren and Cone Retail Sales Tax Data, November 2001.

b. Housing Values

Single Family Home Sales

The majority of the sales in the proposed Project Area occurred in the oldest and largest residential area, the East Side neighborhood, which contains housing built from the late 19th century onward. The East Side neighborhood was a modest, yet stable, single-family neighborhood. Starting in the 1970s and continuing through the mid-1980s, however, the area experienced a significant increase in the conversion of single family homes to multifamily housing. The quality of this multifamily development was generally poor, reducing the value of nearby owner-occupied, single family properties. This trend started a process of disinvestment and instability, with single family houses converted into rental properties as the number of apartments increased. In addition, the increase in occupancy has stressed the neighborhood's aging public utility and services systems.

According to local residential real estate brokers and information obtained from DataQuick, an internet real estate service, housing values in the East Side are substantially lower than other parts of the City. Homes in East Side are averaging between $49,350 and $132,000 compared to $169,400 and $250,500 for similar homes in the Lodi vicinity. The price differential is the result of a variety of factors including deteriorated housing conditions, the poor quality of existing multifamily development, overcrowding, decreased property maintenance, as well as constrained street capacity and City sewer and water facilities.

Housing values in the proposed Project Area are substantially lower than in the rest of Lodi and the surrounding area. The average listing price for one to four bedroom homes in the Project Area is about $98,860, which is about 42 percent less than the $171,778 average price for homes in the remainder of Lodi and the surrounding area.

As shown below in Table II-6, the median sale price of homes in the Project Area was 36 percent less than comparable homes in the rest of the City.[10] This analysis is based on 479 single family home sales in Lodi in 2001, of which 93 were in the Project Area. The gap between median home values generally increases with the size of homes, with the exception of two bedroom homes. There were no comparable sales of one bedroom homes outside the Project Area. Two bedroom homes sold for 53 percent less in the Project Area compared to other areas of the City, three bedroom homes sold for 24 percent less and four bedroom homes sold for 36 percent less.

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[10] DataQuick residential sales data included all homes. These sections analyzed only 1 to 4 bedroom homes, because no larger homes were sold in the Project Area in 2001.

Table II-6
Sales Prices for Single Family Homes
City of Lodi and Surrounding Area

	Project Area		Lodi Vicinity	
	No.	Median Sales Price	No.	Median Sales Price
One Bedroom	10	$47,500	0	N/A
Two Bedroom	55	$99,500	107	$211,500
Three Bedroom	26	$123,000	236	$162,750
Four Bedroom	2	$132,000	43	$206,000
Total	**93**	**$101,000**	**386**	**$157,250**

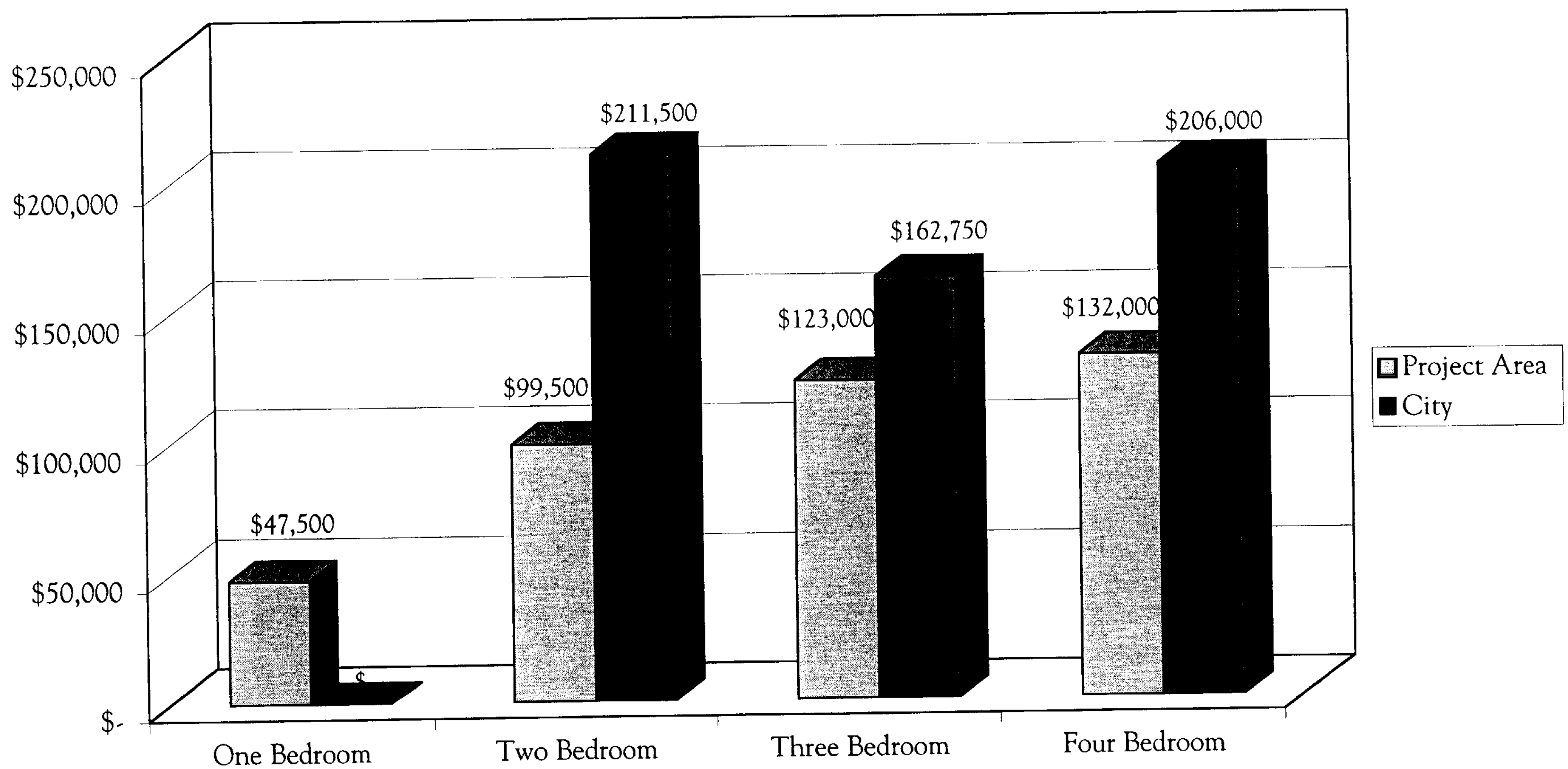
Source: DataQuick Online Real Estate Data, 2001. Single family homes sold in the Lodi vicinity in 2001.

Graph II-1 compares the median sales price of single family homes in 2001 for the Project Area with the rest of the City outside the Project Area.

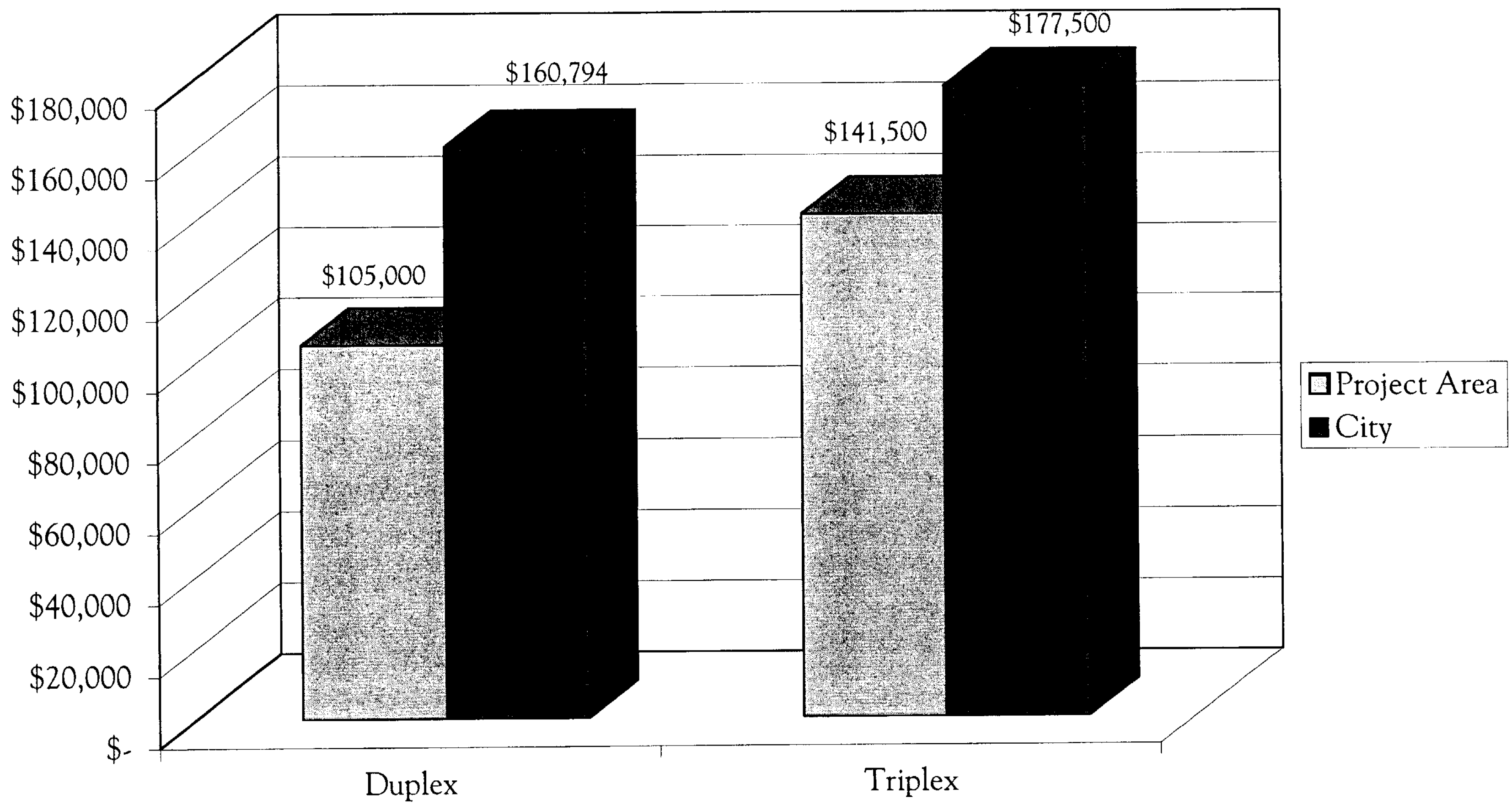
Multifamily Unit Sales

As previously noted, the Project Area contains poor quality multifamily housing, in addition to higher density housing. Values for multifamily housing are substantially lower in the Project Area than in the rest of the City. This analysis is based on 79 sales of multifamily properties in the Lodi vicinity during 2001. As shown below in Graph II-2, the median sales price of duplexes in the Project Area was $105,000, which is about 35 percent less than the $160,794 median price in the remainder of Lodi. For triplexes, the median sales price was $141,500, which is about 20 percent less than the $177,500 median in the Lodi vicinity.

Graph II-1
Median Sale Price of Single Family Homes in 2001
by Number of Bedrooms
City of Lodi



Graph II-2
Median Sale Price of Multifamily Units in 2001
City of Lodi



c. Lodging Establishments

Motels were located along Cherokee Lane when it was the main north–south artery of the old Highway 99 through Lodi. Since the new Highway 99 bypass, many motels have been converted to multifamily dwellings, although their rooms were not designed for permanent residence. The former motels provide essential affordable housing for low-income and migrant residents. However, the cost to maintain or upgrade these structures to comply with health code requirements for permanent dwelling units makes their use as affordable housing challenging over the long term. As a result, many of these properties suffer from deterioration and contribute to unsafe and unhealthy conditions for their occupants.

Based on data obtained from the City of Lodi Finance Department, sixteen of the eighteen lodging establishments in the City of Lodi are located in the proposed Project Area. Of these sixteen, one has been closed since early 1998 due to fire damage, and seven have been converted to permanent residences. In addition, four of the sixteen establishments have both permanent and transient occupancy within the same motel. (The City defines hotel transient occupancy as occupancy for 30 days or less.)

The lodging establishments in the Project Area tend to be very small, budget-class motels, most of which offer very limited to no guest services. Eleven of the motels have less than 30 rooms (including the motel that was closed due to fire damage), three motels have between 30 and 45 rooms and two have between 45 and 55 rooms. Conversely, the facilities outside the Project Area tend to offer a greater variety of services than the smaller motels in the Project Area. One is a 95-room Holiday Inn Express, which has a pool, sauna, whirlpool, exercise room, and a coin laundry facility for guests. The other facility, Wine & Roses, is a bed and breakfast inn located on a five-acre estate, which is in the process of constructing additional rooms. Originally opened with ten rooms, the Wine & Roses added 13 guest rooms during the Fall of 2001, and will open an additional 15 rooms (bringing the total to 38 rooms) in Spring 2002.

The lodging establishments outside the Project Area have published room rates between $85 and $165 per night (double occupancy), compared to average "asking" room rates of $45 to $65 per night for most motels in the Project Area.[11] Comparing the Project Area's lodging facilities to establishments outside the Project Area reveals significant weakness in the Project Area's lodging market. The motels in the Project Area total 415 rooms, or 80 percent of the City's total overnight lodging rooms. However, transient occupancy tax (TOT) generated by the Project Area's motels represents only 50 percent of the City's total TOT revenues. The annual transient occupancy tax per room for lodging rooms in the Project Area is shown in Graph II-3. The average annual transient occupancy tax per room is significantly lower inside the Project Area compared to outside the Project Area. This indicates both lower rates and lower transient occupancy levels in the Project Area than outside, as discussed below.

Table II-7 shows the average nightly revenue per room in the Project for motels with less than 50 rooms which had transient lodging guests in 2000. This table shows that the average nightly revenue per room ranged from $3 to $35, with an average of $16, based on analysis of transient occupancy tax receipts.

[11] Only four of the sixteen motels in the Project Area publish their room rates with sources such as the Automobile Association of America (AAA). Room rates for the remaining motels in the Project Area were obtained through a telephone survey conducted by Seifel Consulting Inc.

Table II-7
Lodging Establishments
Lodi Redevelopment Project
(In Constant 2000 Dollars)

	Average Daily Revenue In 2000	Published/ "Asking" Room Rate In 2000	Avg. Daily Revenue as % of Room Rate
Motel A	$16	$50	33%
Motel B	$12	$55	22%
Motel C	$15	$50	31%
Motel D	$3	$45	7%
Motel E	$15	$45	33%
Motel F	$3	$55	5%
Motel G	$5	$55	9%
Motel H	$35	$60	59%
Motel I	$11	$50	22%
Total	$16	$53	31%

As discussed above, the "asking" daily room rates ranged from $45 to $65 per night, with an average of $53 for Project Area motels with transient occupancy. The average revenue as a percentage of room revenue for these motels is just over 30%, as compared to approximately 58% for motels outside the Project Area. This suggests that Project Area motels have very low transient occupancy rates (in combination with lower room rates) and are not able to capitalize on market demand captured by motels outside the Project Area.

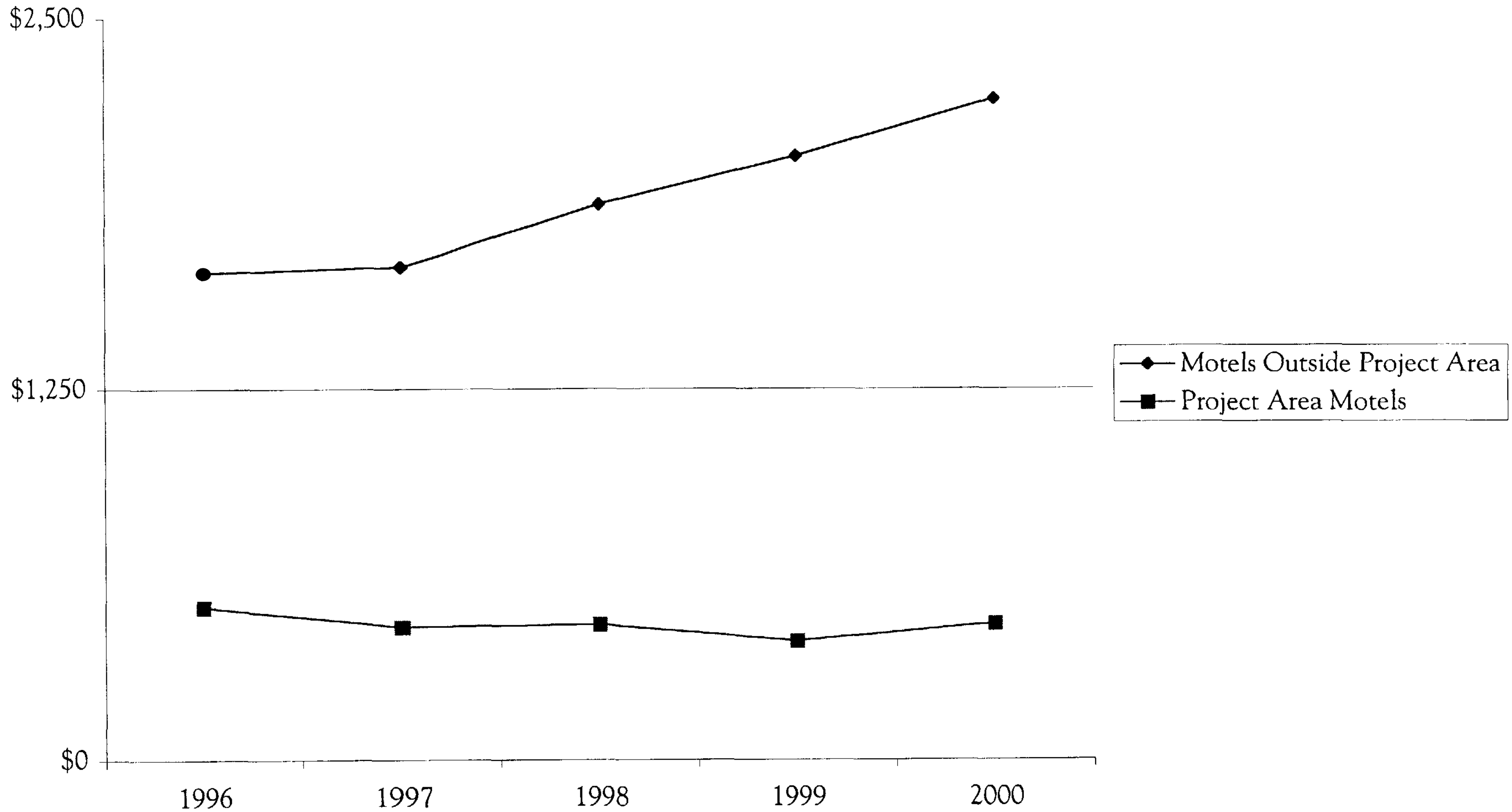
Moreover transient occupancy tax (TOT) receipts for motels have actually been decreasing over time, after adjusting for inflation (average decrease of 2.9% percent per year between 1996 and 2000), while motels outside the Project Area have increased significantly faster than inflation, as shown in Table II-8 below.[12]

Table II-8
Annual Transient Occupancy Tax Per Room
Lodi Redevelopment Project
(In Constant 2000 Dollars)

	1996	1997	1998	1999	2000	**Average Annual Growth** 1996-2000
Project Area Motels	$514	$447	$455	$399	$458	-2.9%

[12] For confidentiality reasons, the average annual transient occupancy tax per room for facilities outside the Project Area cannot be published.

Graph II- 3
Annual Transient Occupancy Tax per Room
City of Lodi
(In Constant 2000 Dollars)



d. Hazardous Materials Sites

The remediation of toxic or hazardous waste is frequently costly and a major financial disincentive to reinvestment or development. Sites that are abandoned or underutilized because of known or potential environmental contamination are commonly referred to as brownfields. Often, in order for the development of a brownfield to be feasible, public agency assistance is necessary. The fear of environmental liability, in particular, uncertainty over changing response standards and costs, and the high price of conducting environmental investigations are some of the leading reasons deterring the beneficial development and use of urban sites. Developers fear that they will face liability under environmental laws and that the cost of evaluating and remediating brownfields is both so uncertain and so high that it could easily outweigh the market value of the property. Figures II-4 and II-5 indicate portions of the Project Area with soils and groundwater contamination.

Under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA), and other laws, developers may be held liable for past chemical releases, even though they were not directly responsible for the conditions that gave rise to the liability. Therefore, prior to purchasing or entering into contract to develop a site, a developer must undertake extensive environmental investigations to determine whether hazardous materials are present. In addition, predicting the cost to conduct any potential remediation prior to development is uncertain. Finally, there are often delays associated with obtaining governmental approvals before development may begin.

Hazardous materials or waste have been used in the Project Area in commercial, industrial, and in a more limited extent, residential areas. Three areas either partially or completely within the Project Area have been identified as contamination hot spots. In 1989, the City of Lodi detected tetrachloroethylene (PCE) and trichloroethylene (TCE) contamination in water samples, at concentrations above California's Maximum Contaminant Levels (MCLs) for drinking water. The California Department of Toxic Substance Control (DTSC) is the lead regulatory agency providing technical review of the groundwater investigation being conducted by the City of Lodi. The Project Area falls within the DTSC-designated Lodi Groundwater Area of Contamination. In the 1990s, DTSC funded a remedial investigation and a Potentially Responsible Party (PRP) search to determine the exact sources of this contamination. Contamination is generally thought to be associated with past dry cleaning operations. Additional hazardous materials investigations have also been completed since that time. According to the most recent studies conducted in 2001, the hot spots are:

- The area bounded by Walnut Street and Lodi Avenue on the north and south, and Pleasant Avenue and Hutchins Street to the west and east;
- The area bounded by Lockeford and Locust Streets to the north and south, and Church and Sacramento Streets to the west and east; and
- The area bounded by Locust and Elm Street to the north and south, and Stockton and Sacramento Streets to the west and east.

The City of Lodi anticipates that the federal court will exercise jurisdiction over the claims of the state and the city concerning investigation and remediation of Lodi Area of Contamination and will execute a final, non-appealable order compelling a Responsible party to perform all actions necessary to develop and implement a Remedial Investigation/Feasibility Study and any

Interim Remedial Actions necessary to protect human health and the environment. If the federal court fails to enforce a final order, the City of Lodi will take action. The City is required by State hazardous materials regulatory agencies, under the purview of the Regional Water Quality Control Board, to clean up the groundwater contamination. The City is currently involved in litigation with insurance companies representing prior site occupants suspected of earlier contamination. Cleanup of suspected groundwater contamination sources will be undertaken pending a final decision in this litigation. However, new development could disturb contaminated groundwater and cause migration of the contamination.[13]

The existence of this contamination, the possibility that development could disturb contaminated soils and groundwater, and the uncertainty of the timing and the outcome of the litigation all serve as potential impediments to development.

3. Economic Indicators of Distressed Buildings or Lots

a. Low Commercial and Industrial Lease Rates

Most lease rates for commercial and industrial space in the Project Area are lower than in other parts of Lodi and the surrounding area. These relatively lower lease rates occur in areas with adverse physical conditions as described in the previous sections.

Retail Lease Rates

According to local brokers, commercial lease rates in the Downtown are 30 to 50 percent below those in other retail centers in Lodi and 50 to 70 percent lower than lease rates in retail centers in the southwestern part of the City (closer to the newer residential neighborhoods). Commercial space along Cherokee Lane in the Project Area also suffers from lower lease rates. Table II-9 presents a summary of typical commercial lease rates in the Lodi area. In the downtown, retail space typically leases for $0.35 to $.85 per square foot per month on a gross basis, which translates into triple net (NNN) rents of approximately $0.22 to $0.60 per square foot. At the Cherokee Retail Center in the Project Area, commercial space is currently on the market at $0.85 to $1.00 per square foot per month (NNN).

In contrast, lease rates at the Lakewood Mall at Elm and Ham Lane (considered by brokers to be most comparable to downtown retail uses) average between $1.25 to $1.30 per square foot per month (NNN). Retail development on West Kettleman Lane from Fairmont to Hutchins ranges from $1.40 to $1.60 per square foot per month (NNN). Newer retail space along lower Sacramento Road and West Kettleman Lane at the southwest end of town can command rents ranging from $1.90 to $2.00 per square foot.

Office Lease Rates

Office lease rates are from 60 to 75 percent lower in the downtown than in other parts of Lodi. Typical ground floor office space in the downtown leases for between $0.45 and $0.50 per square foot per month (full service). Upper floor office space in the downtown is largely unleaseable, due to lack of elevator service and outdated electrical and/plumbing space, and is therefore vacant.

[13] Administrative Draft Environmental Impact Report, Wagstaff & Associates, January 2002.

In contrast, office space in competitive buildings on Ham Lane or West Kettleman Lane command lease rates in the range of $1.50 to $2.00 per square foot per month (full service).

Industrial Lease Rates

While the northern portion of the Project Area does have some older industrial space served by the railroad tracks, the majority of the more competitive industrial space is on the east side of the City along Industrial Way and Thurman Streets. Many of the larger industrial users own and/or build their own facilities. For example, General Mills owns its facility at West Turner Road, and Pacific Coast Producers recently constructed a 900,000 square foot canning facility on North Guild Avenue.

Table II-9
Summary of Commercial Lease Rates
Lodi Market Area, January 2002

RETAIL (NNN)	Inside Project Area	Outside Project Area
Downtown[1]	$0.22-$0.60	
Cherokee Retail Center	$.85-$1.00	
Lakewood Mall		$1.25-$1.30
W. Kettleman - Hutchins to Fairmont		$1.40-$1.60
W. Kettleman Lower Sacramento Road		$1.90-$2.00
OFFICE (Gross Full Service)	**Inside Project Area**	**Outside Project Area**
Downtown Office Space	$0.45-$0.50	N/A
Ham Lane Office Space		$1.50-$2.00
West Kettleman Lane Office		$1.50-$2.00

[1]Retail rents in Downtown are typically quoted on a full-service basis, but have been converted to a triple net basis for comparative purposes with other areas in the City.
Source: Broker interviews, Winter, 2002.

Abnormally High Vacancies

Commercial space in the Downtown, including Sacramento Street, is abnormally high, particularly as compared to other commercial areas in the City. The vacancy rate of ground floor commercial space in the downtown is estimated between 20 and 25 percent, while upper floor space is estimated to be over 80 percent vacant, yielding an overall vacancy rate in excess of 30 percent. By comparison, there are currently no vacancies at Lakewood Mall, while vacancies on West Kettleman Lane are minimal – currently estimated at under five percent.

Inability of Commercial Space to Meet Current User Demands

As previously noted in Section F.1.b, much of the commercial space in the Project Area is comprised of older buildings that are constrained by their inability to meet modern design requirements for retail and office space, as well as the limited size of commercial spaces.

However, higher volume retailers, such as Barnes and Noble, Crate-n-Barrel, Pottery Barn and Restoration Hardware, could help to catalyze the retail district by serving as anchors.

As shown in Table II-10 below, the maximum amount of a single retail space available in the downtown is generally 2,000 square feet. In other parts of Lodi, the range of available retail space is much greater, from 1,500 to 50,000 square feet. Any of the retailers that might act as a catalyst anchor for the downtown would require between 5,000 and 20,000 square feet of space.

The same is true for office space. In the downtown, office space ranges from 300 to a maximum of 2,000 square feet. In other parts of Lodi, office renters can find a wider range of office sizes, up to 5,000 square feet.

Older buildings also cannot provide flexibility in terms of space and the amenities found in newer buildings. Modern shopping centers and malls can offer a variety of spaces, so that potential renters are more likely to find a space that meets their size requirements. In addition, they have the option to expand or reduce the amount of space they lease. New office space is generally designed to provide flexibility.

Table II-10
Size of Available
Commercial Space In Lodi
January 2002

	Proposed Project Area	Other Areas in Lodi
Office		
Minimum Square Footage	300	1,000
Maximum Square Footage	2,000	5,000
Retail		
Minimum Square Footage	300	1,500
Maximum Square Footage	2,000	50,000

Source: Broker interviews.

Infeasibility of Private Sector to Rehabilitate Properties

This section evaluates impaired investment in terms of a private investor's ability to rehabilitate deteriorated, older buildings while achieving a reasonable return on investment. It examines the feasibility of two prototypical rehabilitation projects: a mixed-use building in the Downtown and industrial space on the East Side. The rehabilitation assumes extensive improvements such as those listed above, which are often necessary in older buildings. The assumptions for this analysis were obtained from discussions with local real estate owners and brokers, as well as comparable sales information on recent transactions.

The costs of preserving and upgrading historic and other older buildings are difficult to determine precisely but, based on field surveys and discussions with business owners and brokers, would involve some or all of the following:

- Structural preservation including building repairs and facade preservation;
- Installation of an elevator for second floor space;
- Electrical and plumbing and other code upgrades;
- Improvement to heating and ventilation systems;
- Interior remodeling for adaptive reuse.

This analysis begins with estimated project costs for the purchase and rehabilitation of older buildings in poor condition based on comparable sales and the cost of undertaking substantial rehabilitation. This project cost is then compared with the loan and equity amounts that could be supported by projected rents generated by each completed project. These prototypes are used for illustrative purposes to demonstrate the impact of rental rates and property values on the economic value of the investment.

Private financing techniques alone will not likely be sufficient to undertake substantial rehabilitation of typical buildings in certain areas still needing redevelopment attention. Below are two prototypical purchase and rehabilitation projects in the area still needing redevelopment attention. The first project, a two story freestanding historic building in the downtown, would likely need a subsidy of about $526,000 to be financially feasible for a developer. The second representative project, an industrial project on the East Side, would need a subsidy of about $264,000. The ability of private developers to invest in rehabilitation of substandard buildings is a measure of economic health within the Project Area. When new rehabilitation is not feasible, needed building capital improvements are deferred and properties are not upgraded and are poorly maintained.

<u>Prototypical Rehabilitation Project I: Downtown Mixed Use Building</u>
The prototypical project is a 10,000 square foot mixed-use building with about 4,250 square feet of commercial space on the ground floor and 4,250 square feet of office space on the upper floor (common area is assumed to be 1,500 square feet or about 15%). The project assumes installation of an elevator, electrical and plumbing upgrades, facade restoration, and interior remodeling.

Table II-11 summarizes the estimated costs and projected revenues of this prototypical rehabilitation project. The site acquisition cost would be approximately $350,000, assuming a cost of about $35 per square foot, per recent building sales prices for comparable buildings. Rehabilitation construction costs are estimated at $550,000, or approximately $55 per square foot. The total cost of the project, including soft costs and contingency costs, would be about $1,065,000.

A typical commercial building of this size is projected to generate a gross income of $76,500 annually given current market conditions, assuming rent for the second floor office at $0.50 per square foot and $1.00 per square foot for the ground floor retail (full service).[14] Subtracting a

[14] Typical commercial rents range from $0.35 to $0.85 full service; this analysis assumes the highest market rent.

five percent vacancy loss and operating expenses yields a net operating income of approximately $55,000 per year, before tax.[15]

Lending institutions typically require that net operating income exceed debt service payment by 15 to 20 percent for mixed-use projects (a debt coverage ratio of 1.2 to 1.5). A 1.2 debt coverage ratio yields about $45,500 available to cover debt service and an annual cash flow of about $9,100 (used to provide the return to equity investors). The annual debt service amount could support a mortgage loan of about $447,500. The annual cash flow would support about $91,000 in equity investment yielding a 10 percent interest rate. Thus, the total amount that developers could reasonably expect to raise from private sources is about $538,700 resulting in a financing gap of approximately $526,000, or approximately 49 percent of the total development cost.

<u>Prototypical Rehabilitation Project II: East Side Industrial Project</u>
The second prototypical project is an older industrial building on the East Side. Many of these buildings suffer from physical deficiencies due to deferred maintenance, as well as outdated design, lack of improved office space, and decayed parking areas. The prototypical project assumes a 20,000 square feet of industrial building. Rehabilitation requires potential code upgrades, interior office buildout (for a portion of the space), and parking improvements. (It should be noted that these assumptions are subject to revision, based on confirmation and further input from brokers active in the market area.)

Table II-12 summarizes the estimated costs and projected revenues of this prototypical rehabilitation project. The acquisition cost is estimated at $560,000 assuming a cost of about $28 per building square foot, based on conversations with the brokerage community. Construction costs are primarily assumed to cover the cost of potential code upgrades, improving a portion of the interior space for office use and parking improvements, and are estimated at approximately $10 per square foot. The total cost of the project, including soft costs and contingency costs, is estimated at $820,000.

Industrial space in the East Side of the Project Area is projected to generate a gross income of $72,000 annually given current market conditions, assuming industrial rents of $0.30 per square foot (modified gross).[16] Subtracting a five percent vacancy loss and operating expenses yields a net operating income of approximately $56,000 per year, before tax.

As discussed above, lending institutions typically require a debt coverage ratio of 1.2, which yields about $47,000 available to cover debt service and an annual cash flow of about $9,400 (used to provide the return to equity investors). The annual debt service amount could support a mortgage loan of about $462,000. The annual cash flow would support about $100,000 in equity investment yielding a 10 percent return on equity. Thus, the total amount that developers could reasonably expect to raise from private sources is about $556,000 resulting in a financing gap of approximately $264,000, or 32 percent of estimated development costs.

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[15] An annual vacancy rate for a small project such as this is expected to vary. Accordingly, the five percent vacancy rate should be viewed as an average over several years.

[16] Modified gross rents assume the tenant pays utilities and janitorial, while the landlord covers property taxes, insurance and maintenance of the roof and outer walls.

The private sector does not have sufficient financial incentive to undertake substantial rehabilitation projects in the Project Area. Prototypical purchase and rehabilitation projects in the Project Area would require large subsidies to be financially feasible for a typical developer. With financial investment by the Agency, however, the risk to the private sector is reduced and a positive incentive for new development is created.

Table II-11
Prototypical Purchase & Rehabilitation Project
Downtown - Mixed Use Office and Retail

Estimated Project Costs	
Building Acquisition Cost	$350,000
Rehabilitation Cost	$550,000
Soft Costs @ 20%	$110,000
Contingency @ 10%	$55,000
Total Development Cost	$1,065,000
Estimated Income & Expenses	
Rental Income	
Ground Floor Retail	$51,000
Second Floor Office	$25,500
Gross Possible Income	$76,500
Vacancy Loss	5%
Total Vacancy Loss	$3,825
Operating Expenses	$18,000
Net Operating Income (NOI)	$54,675
Maximum Supportable Loan	
Debt Coverage Ratio	1.20
NOI Available for Debt	$45,563
Maximum Loan	$447,541
Annual Cash Flow	$9,113
Return on Equity	10.0%
Supportable Value of Equity	$91,125
Total Available for Project	$538,666
Projected Financing Gap	
Total Available for Project	$538,666
Less Estimated Development Cost	$1,065,000
Financing Gap	**($526,334)**
Percent of Development Cost	**49%**

Assumptions:	
Income & Expenses	
Building Square Feet	10,000
Leaseable SF (85%)	8,500
Ground Floor Retail Rent per SF (Gross)	$1.00
Second Floor Rent per SF (Gross)	$0.50
Landlord Operating Expenses per SF	$0.15
Loan Terms	
Mortgage Interest Rate	9.0%
Term (years)	25
Estimated Project Costs	
Site Acquisition Cost per SF	$35
Rehabilitation Hard Cost per SF	$55
Soft Cost % of Hard Cost	20%
Contingency % of Hard Cost	10%

Source: Broker Interviews Winter 2002

Table II-12
Prototypical Purchase & Rehabilitation Project
Eastside Industrial Project

Estimated Project Costs	
Building Acquisition Cost	$560,000
Rehabilitation Cost	$200,000
Soft Costs @ 20%	$40,000
Contingency @ 10%	$20,000
Total Development Cost	$820,000
Estimated Income & Expenses	
Rental Income	
Industrial Rent	$72,000
Gross Possible Income	$72,000
Vacancy Loss	5%
Total Vacancy Loss	$3,600
Operating Expenses	$12,000
Net Operating Income (NOI)	$56,400
Maximum Supportable Loan	
Debt Coverage Ratio	1.20
NOI Available for Debt	$47,000
Maximum Loan	$461,661
Annual Cash Flow	$9,400
Return on Equity	10.0%
Supportable Value of Equity	$94,000
Total Available for Project	$555,661
Projected Financing Gap	
Total Available for Project	$555,661
Less Estimated Development Cost	$820,000
Financing Gap	**($264,339)**
Percent of Development Cost	**32%**
Assumptions:	
Income & Expenses	
Building Square Feet	20,000
Net Rentable SF (100%)	20,000
Industrial Rent per SF (Modified Gross)	$0.30
Landlord Operating Expenses per SF	$0.05
Loan Terms	
Mortgage Interest Rate	9.0%
Term (years)	25
Estimated Project Costs	
Site Acquisition Cost per Bdg SF	$28
Rehabilitation Hard Cost per SF	$10
Soft Cost % of Hard Cost	20%
Contingency % of Hard Cost	10%

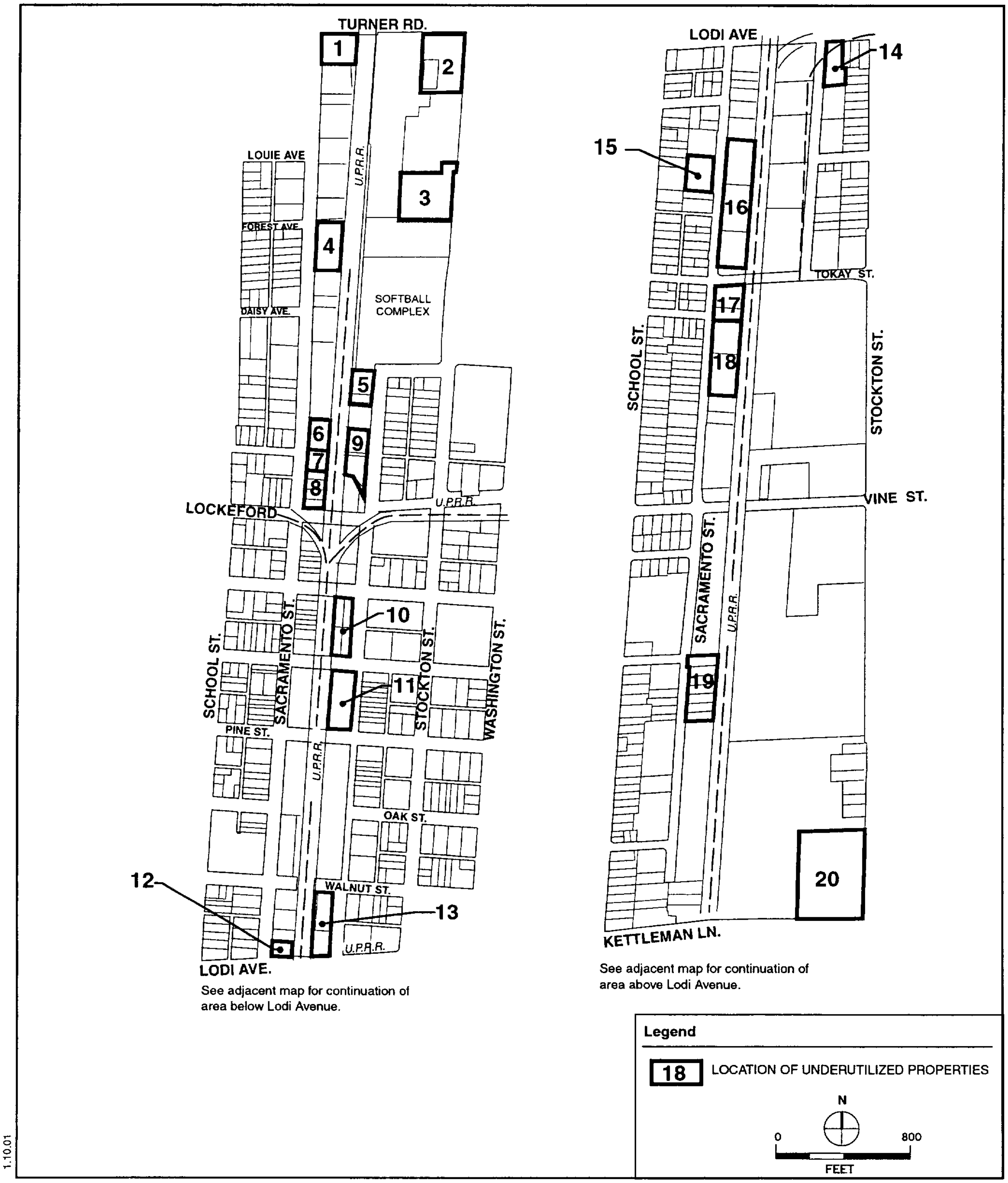
Source: Broker Interviews Winter 2002

b. Underutilized Property

During field reconnaissance surveys several areas of underutilized properties were identified. Figures II-6 and II-7 show the location of underutilized properties in the Central Railroad Commercial and Industrial Corridor and the Cherokee Lane Commercial Corridor. Tables II-13 and II-14 describe the underutilized properties.

Table II-13
Underutilized Properties by Subarea
Central Railroad Commercial/Industrial Corridor

Project Area	Description
Area 1	Relatively small vacant parcel, prominent corner location, currently used for informal truck parking. Unpaved, rainwater ponding.
Area 2	Large corner parcel partially occupied by a church. Abandoned automobiles, portable buildings and debris are located on this property.
Area 3	Large parcel occupied by a dilapidated multi-story industrial building with broken windows and a vintage automobile salvage yard.
Area 4	Large, underutilized storage yard, paved and fenced, serves an adjoining building.
Area 5	Underutilized parcel occupied by a dilapidated metal building and old automobiles.
Area 6	Large, vacant parcel, unpaved, rainwater ponding.
Area 7	Underutilized property, possible auto service use.
Area 8	Underutilized corner parcel, partially occupied by used car sales and auto dismantler.
Area 9	Underutilized parcel occupied by dilapidated steel tower, dilapidated buildings and debris accumulation.
Area 10	Large underutilized property, partially occupied by an abandoned and dilapidated corrugated metal building and a deteriorated concrete garage building.
Area 11	Large, vacant site, abandoned railroad spur tracks, rainwater ponding.
Area 12	Large, underutilized parcel with small deteriorated building, corner location.
Area 13	Vacant used car lot.
Area 14	Vacant corner parcel, unpaved, informal parking, rainwater ponding.
Area 15	Large parcel, currently occupied by contractor's yard.
Area 16	Large, underutilized industrial parcel, partially occupied by a modern industrial building. Approximately 80 percent of the parcel is vacant.
Area 17	Underutilized parcel with deteriorated and dilapidated commercial and residential buildings.
Area 18	Large, vacant parcel, unpaved.
Area 19	An underutilized parcel occupied by deteriorated industrial-service buildings and small cottages.
Area 20	Large, vacant parcel, prominent corner location, abandoned vineyard.

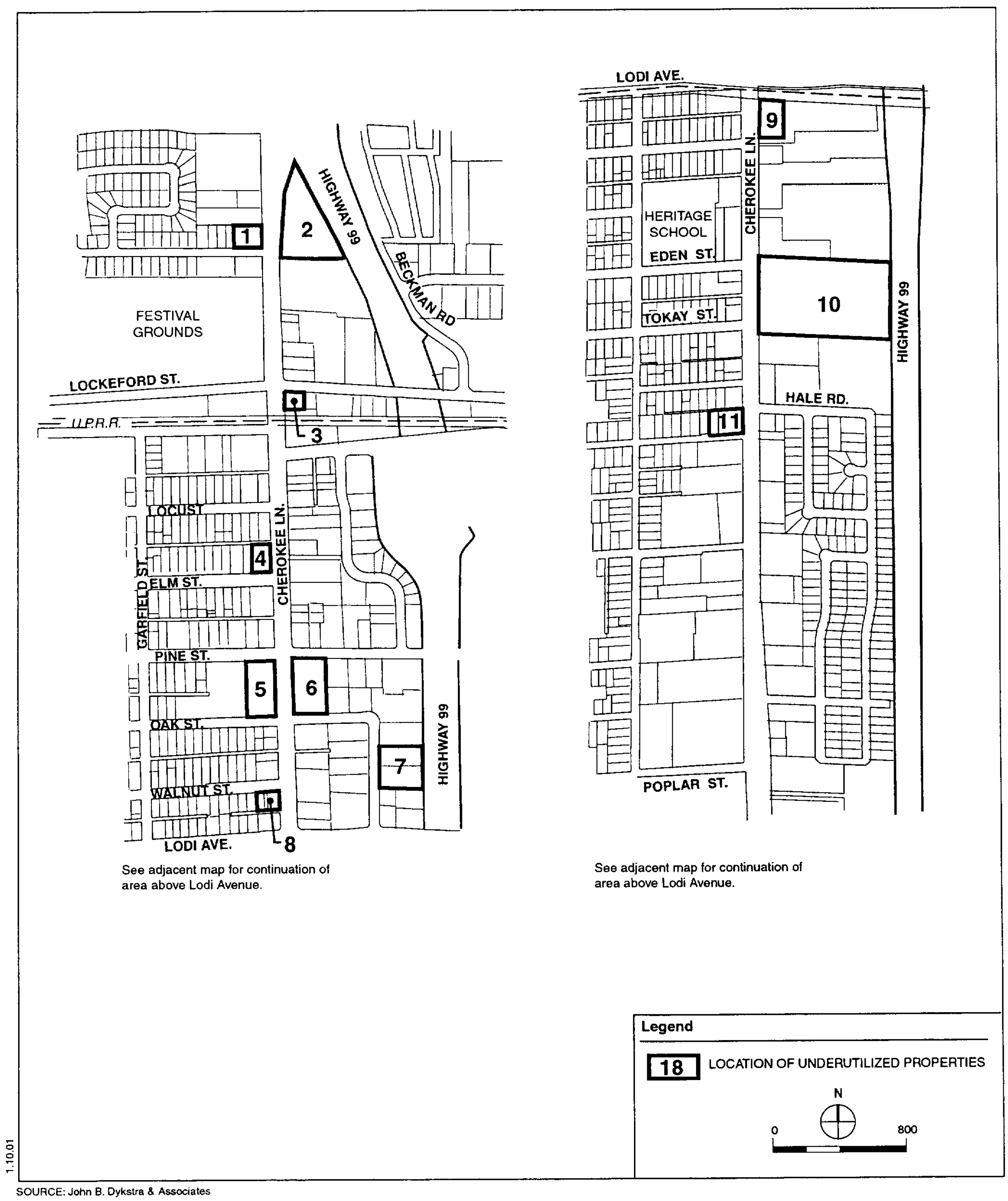


SOURCE: John B. Dykstra & Associates

FIGURE II-6: LOCATION OF MAJOR UNDERUTILIZED PROPERTIES, CENTRAL RAILROAD COMMERCIAL/INDUSTRIAL CORRIDOR

Table II-14
Underutilized Properties by Subarea
Cherokee Lane Commercial Corridor

Project Area	Description
Area 1	Former gasoline station used for auto repair. Dilapidated buildings and signage. Potential source of soils and groundwater contamination.
Area 2	Large triangular-shaped, underutilized property. Currently occupied by a skating rink. Cherokee Lane location. Visible from freeway.
Area 3	Small commercial property at prominent corner, occupied by deteriorated warehouse buildings.
Area 4	Underutilized corner property, vacant except for boarded-up building.
Area 5	Underutilized site of a dilapidated elementary school (Lincoln School).
Area 6	Large underutilized commercial property occupied in part by a deteriorated but architecturally and historically interesting creamery/restaurant building.
Area 7	Large vacant site in developed industrial park.
Area 8	Underutilized corner parcel with badly deteriorated buildings.
Area 9	Large vacant commercial parcel.
Area 10	Very large underutilized property (former bowling alley). Site partially occupied by truck and equipment sales. Main building used as banquet hall and church.
Area 11	Underutilized corner lot and adjacent abandoned residence.



SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE II-7: LOCATION OF MAJOR UNDERUTILIZED PROPERTIES, CHEROKEE LANE COMMERCIAL CORRIDOR

4. Residential Overcrowding

Table II-15 shows that residential overcrowding is a significant problem among both renter and owner households in the Project Area, compared to the rest of Lodi. The U.S. Department of Housing and Urban Development defines residential overcrowding as households with over one person per room, and severe overcrowding is defined as households with over 1.5 persons per room.

The most recent data on overcrowding is contained in the 1990 U.S. Census. The Project Area lies within four census tracts.[17] Based on an analysis of U.S. Census data of block groups, the total population of the Project Area in 1990 was about 13,200 living in 4,483 households. Renter households made up about 68 percent of total households in the Project Area compared to about 46 percent in the City as a whole.

Table II-15
Residential Overcrowding
Redevelopment Project Area
City of Lodi

	Project Area Total			Outside Project Area		
Households	**Total**	**Owner**	**Renter**	**Total**	**Owner**	**Renter**
Overcrowded	380	56	324	460	148	312
Severely Overcrowded	473	73	401	329	69	259
Total Overcrowded	**853**	**129**	**725**	**789**	**217**	**571**
Total Households	4,483	1,455	3,028	14,518	8,862	5,656
Percent of Total Households						
Overcrowded	8.5%	3.9%	10.7%	3.2%	1.7%	5.5%
Severely Overcrowded	10.6%	5.0%	13.2%	2.3%	0.8%	4.6%
Total Overcrowded	**19.0%**	**8.8%**	**23.9%**	**5.4%**	**2.5%**	**10.1%**

Source: U.S. Census, 1990, Census Block Groups 42.02-7, 44.01-2, 44.01-3, 44.01-4, 44.01-5, 45-3, 45-4 and portions of 42.02-4, 42.02-3, 44.01-6, 45-1, 45-2, 43.02-1, 43.02-4, 42.02-6 and 43.02-2.

According to the U.S. Census, approximately 19.0 percent of households in the Project Area were overcrowded, compared to 5.4 percent in the remainder of the City of Lodi. Overcrowding in the Project Area is significantly more serious for renter households than owner households. Approximately 23.9 percent of renter households are overcrowded, compared to 8.8 percent of owner households. The Census also indicates that about 10.6 percent of households in the Project Area are severely overcrowded compared to 2.3 percent in the remainder of the City.

[17] Census Tracts 42.02, 43.02, 44.01 and 45, including Block Groups 42.02-7, 44.01-2, 44.01-3, 44.01-4, 44.01-5, 45-3, 45-4 and portions of 42.02-4, 42.02-3, 44.01-6, 45-1, 45-2, 43.02-1, 43.02-4, 42.02-6 and 43.02-2.

Overcrowding typically occurs in older structures that have not been renovated to keep pace with changing lifestyles or demand. Overcrowded housing generally provides poor quality, and often unsafe and unhealthy, housing for its residents. It can also lead to the deterioration of buildings by putting additional wear and use on the structures. In some instances, in an attempt to accommodate additional occupancy, make-shift modifications may be made to the structures that may be illegal, unsafe or unhealthy, and a violation of building codes.

In the predominantly residential census tracts within the Project Area overcrowding conditions are more serious. The East Side Neighborhood is comprised of census block groups 44.01-2 through 44.01-6 and 45.00-1 through 45.00-4. Table II-16 indicates that in 1990, over 20 percent of the units in the East Side neighborhood were overcrowded or severely overcrowded, more than 3 times the rate of 5.5 percent outside the East Side neighborhood. Over 11.4 percent were severely overcrowded, almost 5 times the rate of 2.3 percent outside. As described earlier, many garages and other structures have been converted into living units. This has contributed to the overcrowded conditions.

Table II-16
Residential Overcrowding
East Side Neighborhood
City of Lodi

	East Side Neighborhood			Outside East Side Neighborhood		
Households	**Total**	**Owner**	**Renter**	**Total**	**Owner**	**Renter**
Overcrowded	355	53	302	485	151	334
Severely Overcrowded	446	71	375	356	71	285
Total Overcrowded	802	125	677	840	221	619
Total Households	3,840	1,266	2,574	15,161	9,051	6,111
Percent of Total Households						
Overcrowded	9.2%	4.2%	11.7%	3.2%	1.7%	5.5%
Severely Overcrowded	11.6%	5.6%	14.6%	2.3%	0.8%	4.7%
Total Overcrowded	20.9%	9.8%	26.3%	5.5%	2.4%	10.1%

Source: 1990 U.S. Census.

5. A High Crime Rate

Information on crime rates will be forthcoming from the Lodi Police Department.

6. Conclusion for Economic Blighting Conditions

The Project Area suffers from several simultaneous economic problems such as depreciated property values, declining sales, business stagnation and residential overcrowding. Economic blight causes or contributes to vacancies in, or underutilization of an area, health and safety hazards, lack of investment, disinvestment, and the devaluation of neighboring properties.

The analysis of existing economic conditions in the Project Area concludes that these problems are so substantial and prevalent that they constitute economic blight. Thus, redevelopment is necessary for the Project Area to reach its full economic potential.

G. Necessity for Redevelopment

As will be further documented in the Report to Council, the physical and economic blighting conditions in the Project Area are so prevalent and substantial that they cannot reasonably be expected to be reversed without redevelopment assistance. These conditions have become a hindrance to the community that cannot be reversed or alleviated without the assistance of the Agency through the authority of the CRL. As further described in Section 1 below, these blighting conditions have caused a reduction of, or lack of, proper utilization of the Project Area and constitutes a serious physical and economic burden on the community.

The private sector does not have sufficient financial incentive to invest in the Project Area, given the risks and up-front costs to improve public infrastructure, encourage economic revitalization, provide affordable housing, and mitigate against seismic safety and environmental problems. Without financial assistance to help underwrite these costs, the private sector would be unlikely to undertake improvements in the Project Area.

In summary, the proposed program to alleviate blighting conditions in the Project Area is not financially feasible for the private sector acting alone. Without redevelopment, most of the program costs must be borne solely by the private sector. Redevelopment is a necessary financing tool, which will be used to support the Redevelopment Program costs as described in Chapter III of this report. With this investment by the Agency, risk to the private sector is reduced, and incentive for private investment is created.

1. Significant Burden on the Community

This chapter has documented blighting conditions that have become a burden on the community and Project Area properties are not being used to the same potential as properties in other parts of the community. The reduction of, or lack of, proper utilization of the Project Area constitutes a serious physical and economic burden on the community in at least the following respects:

- Deprives residents of the city and surrounding area of employment opportunities.
- Prevents adequate supply of affordable and other housing;
- Deprives property and business owners of a competitive return on their investments;
- Deprives residents of adequate public recreational facilities and lands.
- Hinders the enhancement of the physical environment.
- Prevents proper usefulness and development of land.
- Deprives the City, the County, the education districts, and other affected taxing entities of an expanding tax base; and
- Hinders the development of a stronger economic base for the community.

2. Limitations of Other Governmental Action

Governmental action to alleviate the documented blighting conditions in the Project Area is limited by the lack of a reliable flow of federal, state, or local financial resources available to fund a comprehensive revitalization program. The private sector's ability to alleviate the documented blighting conditions is limited.

As described in Chapter IV, all other feasible sources of non-tax increment revenue will be applied toward Redevelopment Program costs. However, other governmental revenues are not sufficient to pay for an effective program to alleviate blight in the Project Area. In this financial setting, redevelopment assistance in the form of tax increment revenue is essential to fill the funding gap to undertake an effective revitalization effort for the Lodi Redevelopment Project Area.

III. Redevelopment Program Description

A. Introduction

This chapter describes the Redevelopment Program proposed to implement the proposed Lodi Redevelopment Project. The projects and activities that make up the Redevelopment Program are designed to meet the goals and objectives of the CRL and the Redevelopment Plan (described in Chapter I). The Agency's cost of implementing the Redevelopment Program is estimated to total about $36.5 million in constant 2002 dollars ($24.3 million for non-housing projects and about $12.2 million for affordable housing projects).[1]

Revenues generated by the Redevelopment Project could fund a number of potential redevelopment activities in the proposed Project Area. Each of the proposed projects would help to alleviate conditions of blight described in this report. The proposed Redevelopment Program would work in coordination with Lodi's existing Central City Revitalization Program, a comprehensive revitalization package adopted by the City that includes incentive programs, marketing strategies, and physical improvements. The City Council adopted the alternative Catalyst Project for the Central City Revitalization Project in 1995. The Revitalization Project will serve as a catalyst to begin the economic and commercial revitalization of the Downtown and Cherokee Lane corridor, and the East Side neighborhood. The Revitalization Project is one component of a comprehensive and detailed action program consisting of public improvements, incentive programs, promotional programs, and marketing strategies.[2]

The proposed Redevelopment Program emphasizes the elimination of blighting conditions and constraints that interfere with revitalization and conservation of the proposed Project Area by improving the economic conditions and enhancing residential areas. In general, the proposed Redevelopment Program is designed to:

- Revitalize areas that exhibit physical and economic blight;
- Stimulate private investment in the proposed Project Area's commercial areas;
- Improve housing conditions and infrastructure in residential neighborhoods; and
- Provide tax increment funds for the redevelopment activities that are needed to alleviate blighting conditions.

The Redevelopment Program reflects adopted City goals and policies. Its formulation involved city staff, elected officials, residents and consultants. Agency staff, city residents and business owners reviewed and made recommendations on the proposed projects and activities. The Redevelopment Program also reflects the goals and policies of the City's General Plan, Capital Improvements Program and economic development studies.

The Redevelopment Program is organized broadly into six program categories that reflect the division of tax increment revenues into funds which can be used for any redevelopment purpose and those specifically related to the Agency's affordable housing endeavors. Program categories

[1] The term 2002 dollars or constant 2002 dollars is used to indicate the present value of nominal dollars discounted back to Fiscal Year 2001/02. This amount does not include Agency administration costs for non-housing projects and activites.
[2] Engineer's Report for Lodi Central City Revitalization Assessment District No. 95-1, p. 6.

one through five do not specifically address the provision, improvement or preservation of affordable housing while program category six is specifically focused on the Agency's affordable housing activities. The numbers assigned to each category are for identification purposes only, and are not intended to indicate a category's relative priority for implementation:

1. Economic Development
2. Building Rehabilitation, Façade Improvement, and/or Historic Preservation
3. Public Infrastructure and Facilities
4. Neighborhood Preservation, Circulation and Landscaping Improvements
5. Site Preparation and Development
6. Affordable Housing

Section C of this chapter describes the five non-housing program categories and their respective projects and activities. Section D describes the Agency's Affordable Housing Program. The sections are organized as follows:

- Deficiencies to be corrected.
- Description of how the proposed projects and activities will reduce or eliminate blighting conditions in the proposed Project Area.
- Cost estimate in constant 2002 dollars. (Refer to Chapter IV for a description of the funding sources that may be used by the Agency to help fund the proposed projects and activities.)

B. Relationship between Redevelopment Program and Alleviation of Blighting Conditions

As indicated in Chapter II, the Lodi Redevelopment Project Area suffers from a variety of physical and economic blighting conditions that must be alleviated if the area is to be revitalized. The proposed Project Area will benefit from a coherent economic development, neighborhood conservation and revitalization strategy that is coordinated with the City's overall goals.

The Redevelopment Program is designed to alleviate the blighting conditions identified in Chapter II, and meet the Agency's affordable housing obligation, as well as the CRL requirement that Agency expenditures be linked to the elimination of blighting conditions. The proposed Redevelopment Program will address the blighting conditions described in Chapter II. Furthermore, it will address the public improvement deficiencies that contribute to physical and economic blight in the proposed Project Area. Table III-1 provides a matrix summarizing the blighting conditions described in Chapter II and the proposed Redevelopment Program's activities designed to alleviate each blighting condition.

Table III-1
How Redevelopment Program Will Eliminate Adverse Conditions
Lodi Redevelopment Project Area

ADVERSE CONDITIONS	Redevelopment Program					
	Economic Development	Building Rehabilitation	Public Facilities	Circulation and Landscaping	Site Preparation	Affordable Housing
	1	2	3	4	5	6
Deficient or Deteriorated Buildings	■	■			■	■
Uneconomic Use of Buildings and Lots	■	■	■	■	■	■
Incompatible Uses	■			■	■	
Substandard Lots	■				■	
Depreciated or Stagnant Values and Hazardous Materials	■	■	■	■	■	
High Vacancy Rates	■		■	■	■	■
Residential Overcrowding						■
High Crime Rate			■			■
Deficient Public Improvements*	■		■	■	■	

*Although not considered physical or economic blight under the CRL, the existence of deficient public improvements is recognized as a deterrent to economic growth in the Project Area.

C. Description of Non-Housing Redevelopment Program

This section describes the proposed Non-Housing Redevelopment Program, including the deficiencies to be corrected, project descriptions, and the estimated project costs.[3] As they are implemented, these projects may be modified over time to better serve the purposes of redevelopment. Cost estimates are necessarily preliminary in nature and subject to considerable refinement as the Redevelopment Program planning and implementation proceed. However, the cost estimates are adequate to provide reasonable orders of magnitude for evaluating financial feasibility and the need for tax increment financing. Table III-2 summarizes the total estimated cost of the proposed Lodi Redevelopment Program. It should be noted that these costs do not include Agency administration expenses for non-housing activities, which are discussed in greater detail in Chapter IV. Table III-3 summarizes the estimated Agency share of non-housing and housing projects for the proposed Project Area.

1. Economic Development

a. Deficiencies to Be Corrected

Many portions of the proposed Project Area are suffering from economic decline and stagnation. Retail businesses perform poorly, and lodging establishments have lower revenues per room as compared to establishments outside the Project Area. In industrial areas, many warehouses are vacant, and several buildings are abandoned. Depreciated property values and impaired investments are evident in the commercial areas within the proposed Project Area, including Downtown Lodi and Cherokee Lane. Downtown Lodi is a weak environment for commercial activity. Commercial lease rates are low there and along Cherokee Lane as compared to other commercial areas in Lodi. Commercial rents are significantly lower east of the Union Pacific railroad tracks, where properties are more deteriorated, than they are west of the railroad tracks.

b. Description

As part of the economic development program, the following is proposed:

- Design and implement a program to attract business and promote tourism, including assistance in the preparation of marketing materials.
- Provide financial assistance to business organizations.
- Provide for a marketing study and strategy to attract and retain businesses to the Project Area.
- Encourage office uses in Downtown Lodi.
- Accommodate and encourage lodging, auto and support commercial buildings along Cherokee Lane.
- Encourage revitalization through business and developer incentives.

[3] The non-housing program includes some activities that will benefit housing, including building rehabilitation, seismic strengthening and historic preservation.

c. Estimated Program Costs

The estimated Agency share of the economic development program (Table III-3) is approximately $3.6 million (in constant 2002 dollars).

2. Building Rehabilitation, Façade Improvement and/or Historic Preservation

a. Deficiencies to Be Corrected

As indicated in Chapter II, 75 percent of the buildings in the proposed Project Area have significant physical deficiencies. Many buildings show the effects of serious deterioration. Deficient or deteriorated buildings are found in each of the eight areas surveyed. A large number of residences have informal, substandard construction. Many residential buildings are dilapidated and unsound. The downtown commercial area has several deteriorated commercial structures. Some of these buildings are structurally unsound. Some industrial uses east of Highway 99 exhibit deterioration, with some dilapidation. Some of the structures are functionally obsolete.

b. Description

As part of the building rehabilitation, façade improvement and/or historic preservation program, the following is proposed:

- Assist in rehabilitation, seismic strengthening and/or historic preservation of commercial, industrial and residential buildings, through low interest loans and grant funds.
- Assist with façade improvements in the downtown and other areas.
- Establish development standards and design guidelines to improve the appearance of buildings and businesses along Cherokee Lane.
- Redevelop dilapidated and abandoned buildings.

c. Estimated Program Costs

The estimated Agency share of the building rehabilitation, façade improvement and/or historic preservation program (Table III-3) is approximately $4.4 million (in constant 2002 dollars).

3. Public Infrastructure and Facilities

a. Deficiencies to Be Corrected

Commercial and residential lots lack adequate off-street parking. The storm and wastewater distribution system is aging, obsolete and inadequate.

b. Description

As part of the public infrastructure and facilities program, the following is proposed:

- Provide parking improvements in commercial areas of the Project Area.

- Implement storm drain, wastewater and water distribution improvements in the East Side neighborhood, along Cherokee Lane and Downtown.
- Assist in providing facilities to service residents in the proposed Project Area, such as a community center, a library and an education and training center.

c. Estimated Program Costs

The estimated Agency share of the public infrastructure and facilities program (Table III-3) is approximately $9.9 million (in constant 2002 dollars).

4. Neighborhood Preservation, Circulation and Landscaping Improvements

a. Deficiencies to Be Corrected

Several areas of the Project Area suffer from circulation and other deficiencies that impede the vitality of neighborhoods and commercial areas. These include the lack of pedestrian and bicycle access, street signs, street lighting, landscaping, and sidewalks. Another deficiency is inefficient traffic circulation, particularly along Cherokee Lane.

b. Description

As part of the neighborhood preservation, circulation and landscaping improvements program, the following is proposed:

- Create a comprehensive pedestrian and bicycle network, providing linkages and improving access to Downtown from the proposed Multi-modal Train Station and Transit Center.
- Provide pedestrian access to the Transit Center, including widen sidewalks and landscape street frontages.
- Continue to landscape public parking lots and streets, improve street signs and streetlights in the Downtown, neighborhoods and other areas.
- Continue to provide new sidewalks and/or widen sidewalks in the Downtown, neighborhoods and other areas.
- Improve traffic signalization and traffic circulation at critical intersections, especially along Cherokee Lane.
- Expand code enforcement efforts.
- Update development standards for multifamily residences.

c. Estimated Program Costs

The estimated Agency share of the neighborhood preservation, circulation and landscaping improvements program (Table III-3) is approximately $2.2 million (in constant 2002 dollars).

5. Site Preparation and Development

a. Deficiencies to Be Corrected

Some areas in the Project Area contain soil and/or groundwater contamination. A large number of lots are substandard to economic development due to their small size or because they front on alleys. A number of incompatible uses have been identified in the proposed Project Area, including residences close to the railroad or industrial plants, and commercial and residential uses located adjacent to dilapidated, vacant or abandoned properties.

b. Description

As part of the building rehabilitation program, the following is proposed:

- Facilitate a hazardous materials cleanup program.
- Acquire property and assemble sites, including acquisition of strategic properties to meet redevelopment goals.
- Provide assistance to relocate incompatible uses.

c. Estimated Program Costs

The estimated Agency share of the site preparation and development program (Table III-3) is approximately $4.3 million (in constant 2002 dollars).

D. Description of Affordable Housing Redevelopment Program

This section describes the proposed Affordable Housing Redevelopment Program, including the deficiencies to be corrected, project descriptions, and estimated project costs.

a. Deficiencies to Be Corrected

The Agency will promote the revitalization of existing housing as well as the construction of well-designed affordable and market-rate housing in the proposed Project Area in order to enhance the vitality of the area and provide much-needed housing for the City. Residential overcrowding is a significant problem among both renter and owner households in the proposed Project Area as compared to the rest of the City. The Project Area contains structurally unsound residences, residential units with informal and substandard construction, and deteriorated residential structures.

b. Description

The Agency will implement a key provision of the CRL: the enhancement of affordable housing opportunities for households earning at or below 120 percent of median income, with particular emphasis on those households earning at or below 50 percent of median income.
Section 33334.2 of the CRL requires that an agency utilize 20 percent of all tax increment revenue allocated to the Agency to increase or enhance the community's supply of affordable housing.

The Agency may establish a range of housing programs that seek to enhance project design and leverage federal, state, and private funding sources to develop high quality, attractive, and affordable housing developments serving a diverse population. The funds directed toward this program will be used in a flexible manner in order to respond to favorable development opportunities.

The type of financial assistance to be provided may include cost write-down and gap financing for projects utilizing federal and state grant or loan funds to facilitate design enhancements, property acquisition, construction and predevelopment. Appropriate uses of these funds include new affordable rental and ownership housing construction, and assistance to homebuyers with acquiring affordable housing.

As part of the Affordable Housing Redevelopment Program, the Agency will undertake the following projects to correct the deficiencies in the proposed Project Area:

- Encourage homeownership and renovation.
- Facilitate development of new affordable housing.
- Provide funding assistance for rehabilitation of single and multi family housing for low and moderate income households.
- Facilitate development of housing for the elderly.
- Spend affordable housing set-aside funds in accordance with CRL, including:
  - Preserve and provide housing opportunities at all income levels in accordance with the CRL.
  - Provide opportunities for homeowners earning at or below 120 percent of median income to maintain and repair their homes and promote neighborhood revitalization.
  - Provide homeownership opportunities for first time homebuyers earning less than 120 percent of median income.

c. Estimated Program Costs

The Agency cost for the Affordable Housing Program is projected to be $12.2 million in constant 2002 dollars. Refer to Chapter IV for further discussion regarding the projections of tax increment to be set-aside for affordable housing.

Table III-2
Projected Total Costs of Proposed Lodi Redevelopment Program
Non-Housing and Housing Activities
In Constant 2002 Dollars

			Total Cost	Unit	Cost/unit	Yrs
1	**Economic Development**					
A	Design and implement a program to attract business and promote tourism, including assistance in the preparation of marketing materials		$500,000		Lump Sum estimate	
B	Provide financial assistance to business organizations		$1,500,000	1	$50,000 /year	30
C	Provide for a marketing study and strategy to attract and retain businesses to the Project Area.		$100,000	1	$100,000 /study	N/A
D	Encourage office uses in Downtown Lodi		$500,000	1	$50,000 /year	10
E	Accommodate and encourage lodging, auto and support commercial buildings along Cherokee Lane		$500,000	1	$50,000 /year	10
F	Encourage revitalization through business and developer incentives		$3,000,000	1	$100,000 /year	30
	SUBTOTAL	7%	**$6,100,000**			
2	**Building & Site Rehabilitation, Facade Improvement and/or Historic Preservation**					
A	Assist in rehabilitation, seismic strengthening and/or historic preservation of commercial, industrial and residential buildings, through low interest loans and grant funds		$7,500,000	5	$50,000 /bldg	30
B	Assist with façade improvements in the Downtown and other areas.		$3,000,000	5	$20,000 /bldg	30
C	Establish development standards and design guidelines to improve the appearance of buildings and businesses along Cherokee Lane		$100,000	1	$100,000 /study	N/A
D	Redevelop dilapidated and abandoned buildings		$6,750,000	3	$75,000 /bldg	30
	SUBTOTAL	19%	**$17,350,000**			
3	**Public Infrastructure and Facilities**					
A	Provide parking improvements in commercial areas of the Project Area		$8,200,000		Lump Sum estimate	
B	Implement storm drain, wastewater and water distribution improvements in the Eastside neighborhood, along Cherokee Lane and Downtown.		$30,300,000		Lump Sum estimate	
C	Assist in providing facilities to service residents in the Project Area, such as community centers, libraries and education and training centers		$5,000,000		Lump Sum estimate	
	SUBTOTAL	48%	**$43,500,000**			
4	**Neighborhood Preservation, Circulation and Landscaping Improvements**					
A	Create a comprehensive pedestrian and bicycle network, providing linkages and improving access to Downtown from the proposed Multi-modal Train Station and Transit Center		$2,500,000	10	$250,000 /mile	N/A
B	Provide pedestrian access to the Transit Center, including widen sidewalks and landscape street frontages		$500,000		Lump Sum estimate	
C	Continue to landscape public parking lots and streets, improve street signs and streetlights in the Downtown, Cherokee Lane, neighborhoods and other areas.		$1,000,000		Lump Sum estimate	
D	Continue to provide new sidewalks and/or widen sidewalks in the Downtown, neighborhoods and other areas.		$500,000		Lump Sum estimate	
E	Improve traffic signalization and traffic circulation at critical intersections, especially along Cherokee Lane		$750,000	5	$150,000 /signal	1
F	Design and implement a neighborhood preservation program		$1,000,000		Lump Sum estimate	
G	Expand code enforcement efforts.		$500,000	1	$25,000 /year	20
H	Update development standards for multifamily residences		$100,000	1	$100,000 /study	1
	SUBTOTAL	8%	**$6,850,000**			

Table III-2 (cont.)
Projected Total Costs of Proposed Lodi Redevelopment Program
Non-Housing and Housing Activities
In Constant 2002 Dollars

			Total Cost	Unit	Cost/unit	Yrs
5	**Site Preparation and Development**					
A	Facilitate a hazardous materials cleanup program		$5,000,000	1	$250,000 /year	20
B	Property acquisition and site assembly, including acquisition of strategic properties to meet redevelopment goals		$10,000,000		Lump Sum estimate	
C	Provide assistance to relocate incompatible uses		$1,000,000	1	$50,000 /reloc	20
	SUBTOTAL	18%	**$16,000,000**			
	TOTAL NON-HOUSING	100%	**$89,800,000**			
6	**Affordable Housing**					
A	Encourage home ownership and renovation.		$800,000	1	$40,000 /year	20
B	Facilitate development of new affordable housing		$10,000,000		Lump Sum estimate	
C	Provide funding assistance for rehabilitation of single and multi-family housing for low and moderate income households		$16,500,000	1	$550,000 /year	30
D	Facilitate development of housing for the elderly		$2,000,000		Lump Sum estimate	
	SUBTOTAL		**$29,300,000**			
	TOTAL PROGRAMS AND ACTIVITIES		**$119,100,000**			

Source: City of Lodi

Table III-3
Projected Costs of Proposed Redevelopment Program
Lodi Redevelopment Project Area
In Constant 2002 Dollars

REDEVELOPMENT PROGRAMS AND ACTIVITIES	Total Costs	Other Funding	Source	Agency Assistance	Agency % of Total
1. ECONOMIC DEVELOPMENT					
A. Design and implement a program to attract business and promote tourism, including assistance in the preparation of marketing materials	$500,000	$250,000	General Fund, Private Sector	$250,000	50%
B. Provide financial assistance to business organizations	$1,500,000	$250,000	General Fund, Private Sector	$1,250,000	83%
C. Provide for a marketing study and strategy to attract and retain businesses to the Project Area.	$100,000	$50,000	General Fund	$50,000	50%
D. Encourage office uses in Downtown Lodi	$500,000	$250,000	General Fund, Private Sector	$250,000	50%
E. Accommodate and encourage lodging, auto and support commercial buildings along Cherokee Lane	$500,000	$250,000	General Fund	$250,000	50%
F. Encourage revitalization through business and developer incentives	$3,000,000	$1,500,000	General Fund, Enterprise Fund	$1,500,000	50%
Subtotal	**$6,100,000**	**$2,550,000**		**$3,550,000**	58%
2. BUILDING REHABILITATION, FAÇADE IMPROVEMENT AND/OR HISTORIC PRESERVATION					
A. Assist in rehabilitation, seismic strengthening and/or historic preservation of commercial, industrial and residential buildings, through low interest loans and grant funds	$7,500,000	$5,625,000	Private Sector	$1,875,000	25%
B. Assist with façade improvements in the Downtown and other areas.	$3,000,000	$2,250,000	Private Sector	$750,000	25%
C. Establish development standards and design guidelines to improve the appearance of buildings and businesses along Cherokee Lane	$100,000	$50,000	Private Sector	$50,000	50%
D. Redevelop dilapidated and abandoned buildings	$6,750,000	$5,062,500	Private Sector	$1,687,500	25%
Subtotal	**$17,350,000**	**$12,987,500**		**$4,362,500**	25%

Table III-3 (cont)
Projected Costs of Proposed Redevelopment Program
Lodi Redevelopment Project Area
In Constant 2002 Dollars

REDEVELOPMENT PROGRAMS AND ACTIVITIES	Total Costs	Other Funding	Source	Agency Assistance	Agency % of Total
3. PUBLIC INFRASTRUCTURE AND FACILITIES					
A. Provide parking improvements in commercial areas of the Project Area	$8,200,000	$5,600,000	Federal Funds, General Fund, Private Sector	$2,600,000	32%
B. Implement storm drain, wastewater and water distribution improvements in the Eastside neighborhood, along Cherokee Lane and Downtown.	$30,300,000	$24,240,000	Enterprise Funds	$6,060,000	20%
C. Assist in providing facilities to service residents in the Project Area, such as community centers, libraries and education and training centers	$5,000,000	$3,750,000	General Fund, CDBG, State, Private Sector	$1,250,000	25%
Subtotal	**$43,500,000**	**$33,590,000**		**$9,910,000**	23%
4. NEIGHBORHOOD PRESERVATION, CIRCULATION AND LANDSCAPING IMPROVEMENTS					
A. Create a comprehensive pedestrian and bicycle network, providing linkages and improving access to Downtown from the proposed Multi-modal Train Station and Transit Center	$2,500,000	$1,875,000	TDA, Gas Tax	$625,000	25%
B. Provide pedestrian access to the Transit Center, including widen sidewalks and landscape street frontages	$500,000	$250,000	TDA, Gas tax	$250,000	50%
C. Continue to landscape public parking lots and streets, improve street signs and streetlights in the Downtown, Cherokee Lane, neighborhoods and other areas.	$1,000,000	$500,000	Gas tax, General Fund	$500,000	50%
D. Continue to provide new sidewalks and/or widen sidewalks in the Downtown, neighborhoods and other areas.	$500,000	$375,000	Gas tax, General Fund	$125,000	25%
E. Improve traffic signalization and traffic circulation at critical intersections, especially along Cherokee Lane	$750,000	$562,500	Gas tax, General Fund	$187,500	25%
F. Design and implement a neighborhood preservation program	$1,000,000	$750,000	General Fund	$250,000	25%
G. Expand code enforcement efforts.	$500,000	$250,000	CDBG, General Fund	$250,000	50%
H. Update development standards for multifamily residences	$100,000	$50,000	General Fund	$50,000	50%
Subtotal	**$6,850,000**	**$4,612,500**		**$2,237,500**	33%

Table III-3 (cont)
Projected Costs of Proposed Redevelopment Program
Lodi Redevelopment Project Area
In Constant 2002 Dollars

REDEVELOPMENT PROGRAMS AND ACTIVITIES	Total Costs	Other Funding	Source	Agency Assistance	Agency % of Total
1. ECONOMIC DEVELOPMENT					
A. Design and implement a program to attract business and promote tourism, including assistance in the preparation of marketing materials	$500,000	$250,000	General Fund, Private Sector	$250,000	50%
B. Provide financial assistance to business organizations	$1,500,000	$250,000	General Fund, Private Sector	$1,250,000	83%
C. Provide for a marketing study and strategy to attract and retain businesses to the Project Area.	$100,000	$50,000	General Fund	$50,000	50%
D. Encourage office uses in Downtown Lodi	$500,000	$250,000	General Fund, Private Sector	$250,000	50%
E. Accommodate and encourage lodging, auto and support commercial buildings along Cherokee Lane	$500,000	$250,000	General Fund	$250,000	50%
F. Encourage revitalization through business and developer incentives	$3,000,000	$1,500,000	General Fund, Enterprise Fund	$1,500,000	50%
Subtotal	**$6,100,000**	**$2,550,000**		**$3,550,000**	58%
2. BUILDING REHABILITATION, FAÇADE IMPROVEMENT AND/OR HISTORIC PRESERVATION					
A. Assist in rehabilitation, seismic strengthening and/or historic preservation of commercial, industrial and residential buildings, through low interest loans and grant funds	$7,500,000	$5,625,000	Private Sector	$1,875,000	25%
B. Assist with façade improvements in the Downtown and other areas.	$3,000,000	$2,250,000	Private Sector	$750,000	25%
C. Establish development standards and design guidelines to improve the appearance of buildings and businesses along Cherokee Lane	$100,000	$50,000	Private Sector	$50,000	50%
D. Redevelop dilapidated and abandoned buildings	$6,750,000	$5,062,500	Private Sector	$1,687,500	25%
Subtotal	**$17,350,000**	**$12,987,500**		**$4,362,500**	25%

IV. Proposed Methods of Financing and Feasibility

A. Introduction

This chapter describes the public and private financing aspects of the Redevelopment Program for the Lodi Redevelopment Project. It estimates total funding requirements, identifies potential resources and methods of financing available to the Agency, projects tax increment and other revenues, and assesses the general financial feasibility of the Redevelopment Project. The analysis in this chapter supports the conclusion that tax increment financing is a necessary component of the Redevelopment Plan.

The following sections demonstrate why tax increment financing made possible through the Redevelopment Plan is a necessary part of the overall financing program to eliminate blighting conditions in the Project Area. As described in Chapter II, the blighting conditions in the Project Area are substantial, and a significant amount of capital investment will be required to alleviate them. While the Agency will pursue all potential funding sources, these will not be sufficient to finance all of the activities critical to alleviating the blighting conditions identified in the Project Area without the use of tax increment. Improvements needed in the Project Area cannot be funded without the establishment of a redevelopment project.

The estimated cost of the Redevelopment Program described in Chapter III (excluding Agency administrative costs for non-housing programs) totals approximately $36.5 million. The private sector is unable to support this cost on its own. In addition, public revenue sources such as the Community Development Block Grant (CDBG), federal grant funding, the City's General Fund and Enterprise Funds, and other revenue sources are either unavailable, dwindling, or insufficient to cover the cost of the projects and activities proposed by the Agency to eliminate blight and redevelop the Project Area. Thus, a gap or shortfall exists for which no funding sources (other than tax increment financing) are available or sufficient. Tax increment financing is the most reliable source of long term redevelopment funding available to the Agency, and the only source of financing that will generate sufficient revenue to meet the funding gap.

B. Stimulation of Private Investment

A major goal of the Redevelopment Program is to stimulate private investment within the Project Area. Public investment in the form of redevelopment funding will be used to leverage private investment. It is anticipated that private investment will include the rehabilitation and new construction of commercial, industrial and residential buildings within the Project Area. Over time, such investment could be significant. Projections of potential buildout in the Project Area indicate that the value of new development financed by private investment is estimated to be almost $140 million (nominal dollars) through the life of the Redevelopment Project.

However, the stimulation of private investment in the area will require the improvement of public facilities, the elimination of blighting conditions, and the establishment of a positive climate for private participation. Given the extent of blighting conditions and the need for improved public facilities, effective implementation of the proposed Redevelopment Program provides the most reasonable opportunity for stimulating private investment in the Project Area.

1. Estimated Agency Funding Requirements for the Redevelopment Program

Implementation of the Redevelopment Project will require substantial funding. The estimated net costs to the Agency in constant dollars to complete the Redevelopment Program are summarized in Table IV-1.[1] These estimates are drawn from the analysis in Chapter III and include items to be funded by the proposed Redevelopment Program after subtracting offsetting funding sources. The estimates for these offsetting funds are based on the analysis in Section C of this chapter.

C. Potential Funding Sources Other than Tax Increment Financing

This section describes funding sources that, if available, could assist in financing the Redevelopment Program for the Lodi Project Area. The Agency will use every effort to obtain alternative funding sources as a means to accelerate the Redevelopment Program and to minimize the required investment of tax increment revenue. Some alternative sources may actually generate more funds during implementation of the proposed Redevelopment Plan than estimated, while others may generate less. On balance, the estimates of available alternative revenues are seen as a best estimate order of magnitude at the Redevelopment Plan adoption stage to determine the need for tax increment revenue (as discussed in Sections C through G below).

Up to the present, the City has used available CDBG funds and assessment district proceeds, combined with its General Fund and Enterprise Funds to fund economic development and revitalization activities and necessary infrastructure improvements in the proposed Project Area. However, these funding sources will be insufficient to finance a redevelopment program.

A redevelopment plan would authorize the City of Lodi to finance a redevelopment project using a variety of sources, including funding from the federal government and the State of California, as well as bank loan programs to meet the requirements of the Community Reinvestment Act (CRA). Other local sources could include donations, interest income, agency bonds, and loans from private institutions, the sponsoring entities and other local public entities, as well as the sale and lease of Agency-owned property. However, other funding sources are not likely to adequately meet the needs for public improvements and revitalization in the Project Area.

[1] The term 2002 dollars or constant 2002 dollars is used to indicate the present value of nominal dollars discounted back to FY 2001/02. Refer to discussion on present value assumption in section D.1 of this chapter.

Table IV-1
Estimated Net Cost to Agency
of Redevelopment Program
In Constant 2002 dollars

Redevelopment Program Categories	Net Cost To Agency
1. Economic Development	$3,550,000
2. Building Rehabilitation, Facade Improvement and Historic Preservation	$4,362,500
3. Public Infrastructure and Facilities	$9,910,000
4. Neighborhood Preservation, Circulation and Landscaping Improvements	$2,237,500
5. Site Preparation and Development	$4,250,000
Subtotal Projects	$24,310,000
Non-Housing Administration Costs	$2,900,000
Subtotal Housing Costs	$27,210,000
6. Affordable Housing	$12,150,000
TOTAL COSTS	$39,560,000

1. Federal Funding Sources

While federal, state and county loan and grant programs could provide funding for some of the projects proposed for the Project Area, funding levels have been curtailed for most of their economic development programs.

a. Community Development Block Grants and HOME Funds

Community Development Block Grants (CDBG) can be secured from the U.S. Department of Housing and Urban Development (HUD) to fund activities such as public works; rehabilitation loans and grants; land acquisition, demolition, and relocation for redevelopment; public services; and affordable housing, social services and projects for the elderly or handicapped. CDBG-funded projects and activities must principally benefit low and moderate income persons or aid in the prevention of elimination of slums or blight.

Federal Home Ownership Partnerships Program (HOME) funds can also be obtained from HUD for development and rehabilitation of affordable housing. As such, HOME can only be used for affordable housing redevelopment activities.

CDBG and HOME funds typically provide a limited source of revenue for many redevelopment activities in California. Lodi received approximately $750,000 in CDBG funds and $200,000 in HOME funds in FY 2000/01 and expects to receive a similar amount in FY 2001/02.

HOME funds are administered through San Joaquin County and are used solely for affordable housing. Most of Lodi's CDBG funds in recent years have been used to construct and rehabilitate housing, and provide needed services and facilities to lower-income residents. Given the competing needs in the City, very little CDBG funds are available for public improvements. However, CDBG and HOME funds will continue to be used to fund activities and programs for affordable housing activities identified in the proposed redevelopment program to the extent feasible.

b. Transportation Equity Act for the 21st Century (TEA-21)

The federal government's Transportation Equity Act for the 21st Century (TEA-21) builds on the initiatives established in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). TEA-21 provides federal transportation funding to San Joaquin County and local jurisdictions through programs such as the Congestion Mitigation and Air Quality (CMAQ) Program, the Transportation Enhancement Activities (TEA) Program, and the Surface Transportation Program (STP) funds. Other sources of federal transportation funding include Sections 5303, 5306, 5309, 5310 and 5311 of the Federal Transit Act and the Railroad Grade Crossing Protection Program.

CMAQ funds may be used for projects and activities that contribute to attainment or maintenance of the national ambient air quality standards for ozone and carbon monoxide.

TEA funding is provided to projects that innovatively incorporate surface transportation activities into their surrounding communities. TEA projects must demonstrate a quality of life benefit, while providing the greatest benefit to the greatest number of people.

Funding under both CMAQ and TEA is granted through a competitive process against other projects throughout the region and/or state. Use of these federal funds requires coordination with regional governance, the state and affected transit operators.

STP funds provide one of the most essential funding programs of TEA-21. Funds are allocated by formula to counties and regional transit districts and to cities based on population percentage. Since STP funds are "flexible", they can be spent on numerous types of transportation improvements, including projects pertaining to roads, highways, bicycle facilities, mass transit and other pedestrian facilities. For many regions, a majority of the funds are spent on local streets rehabilitation or reconstruction.

Lodi has used a variety of federal funding sources (leveraging local funds) for its transportation and transit improvements. For example, the City is utilizing federal funding from the Section 5307 Program and a federal earmark from TEA-21 to fund a portion of the multimodal station park and ride parking structure currently under construction in the Downtown. These funds will continue to be sought and the Agency will use redevelopment funds to leverage federal dollars, typically assumed at 25 percent local match.

2. State and County Funding Sources

a. State of California Economic Development Programs

The primary economic development program of the State of California is redevelopment. The state does not have any significant source of funding other than redevelopment to fund revitalization activities in the Mendocino. While the state does provide technical assistance funds, such as for the Main Street program, it does not have any source of significant capital funding for revitalization activities.

b. Transportation Development Act (TDA) Funds

Transportation Development Act (TDA) funds are generated statewide by one-quarter of all retail sales in a county. TDA funds may be used for transit projects, special transit projects for disabled persons, and bicycle and pedestrian purposes. TDA funds may be used, under certain conditions (if all the transit funding needs are fully met), for streets and roads. The City of Lodi receives an annual TDA apportionment to fund regional and municipal transit programs, bikeway improvements and other programs designed to reduce automobile usage. As available, TDA funds are also used for the City's street maintenance projects. In 2000/01, the City's apportionment totaled $1.8 million, which was used for transit operations and transit capital projects. TDA funds are assumed to be used (in combination with gas tax revenues) to help fund transit-oriented improvements in the proposed redevelopment program.

c. County Measure K Sales Tax

Measure K sales tax is a 1/2-cent sales tax in San Joaquin County that is utilized to help fund specific transportation programs as outlined in the Measure K Expenditure Plan. The program was designed to ease congestion in the county, provide transit options, increase railroad-crossing safety and improve the county's air quality. In the past, Measure K has been used by the City of Lodi to leverage state and federal funding sources, enabling the following projects to move forward:

Route 12/Kettleman Lane Interchange
The City of Lodi, in conjunction with Caltrans, completed construction of the interchange improvements that widened Route 12 under the Route 99 overcrossing to four lanes, plus added turn lanes, improved ramps and relocated Beckman Road.

Lodi Multimodal Station and Parking Structure
The City recently completed a multimodal terminal that provides connections for local, intercity and interregional bus service, as well as future connections for rail service. The parking structure, currently under construction, accommodates long-term parking for Lodi Station transit users and provides for increased transit services in the future.

Lodi Lake Bike Path
Design was completed and funding sources were secured for Phase 1 of this bike path adjacent to Lodi Lake.

Central City Rail Safety Project
Design is currently underway for this project that will remove unused and unsightly railroad tracks on Lodi Avenue and will reactivate the Kentucky House Branch on Lockford Street.

Measure K will expire in the year 2011, and no revenue from that source is anticipated beyond that year. The loss of Measure K revenues represents a significant loss for potential future projects, as evidenced by the following statement from the 2001 San Joaquin Council of Governments' Regional Transportation Plan:

> *"The demise of Measure K in 2011 will have a major impact on our ability to fund transportation system improvements. Measure K is used to support many regionally significant projects and provide match money for State and Federal transportation funds. An alternative local source of match money will have to be found to replace Measure K." Source: 2001 San Joaquin Council of Governments' Regional Transportation Plan, Chapter 5: Financing Transportation.*

Measure K may only be used for specific improvements and programs as approved by the voter initiative, including rail crossing improvements, congestion relief, rail and bus programs, and local street repair programs. In 2000/01, the City of Lodi received $933,000 for local street repair. While in theory funding provided for local street repair may be used by a local jurisdiction as a local match for major street expansion programs (such as are proposed for the Project Area) there are other competing priorities throughout the City for these funds. It is therefore not anticipated to provide a significant source of funding for the proposed Redevelopment Program.

d. San Joaquin Valley Air Pollution Control District's REMOVE Program

State law provides air pollution control districts that are designated as state "non-attainment areas" for pollutants emitted by motor vehicles to receive a $4 motor vehicle registration surcharge fee to provide funds to meet responsibilities mandated by the California Clean Air Act (CCAA). The California Health and Safety Code states that the fees shall be used to support air district operated planning, monitoring, enforcement and technical studies necessary to implement the CCAA. Additional uses allowed include projects that reduce motor vehicle emissions such as those funded by the San Joaquin Valley Air Pollution Control District (SJVAPCD) REMOVE (**RE**duce **MO**tor **V**ehicle **E**missions) Program.

Each year the REMOVE Program Evaluation Committee for Motor Vehicle Emission Reduction Projects (Evaluation Committee) prepares a request for proposal (RFP) for projects that will reduce motor vehicle emissions within the SJVAPCD. The purpose of the REMOVE Program RFP is to attract projects that will assist the SJVAPCD in attaining the requirements of the CCAA. This is accomplished by allocating funds to cost-effective projects that have the greatest motor vehicle emission reductions resulting in long-range impacts on the air pollution problems in the San Joaquin Valley. The City of Lodi applied for and received $317,000 in funding from the REMOVE Program toward the construction of the parking structure to serve the new multimodal terminal in the Downtown. The projects and activities identified in the proposed Redevelopment Program do not qualify for funding under the REMOVE Program.

3. City of Lodi Funding Sources

The federal and state governments have continued to reduce funding and to shift costs of programs to cities and counties. In addition, many funding programs have a limited duration and are intended to fund only specific identified improvements. Unfortunately, cities and counties have only limited ability to raise revenues to offset new costs or to replace other lost revenue. In addition to the limited ability to fund ongoing essential functions such as police and fire services, the City of Lodi is faced with major capital expenditures required to upgrade and maintain city facilities and infrastructure to meet the demands of growth. As a result, although some redevelopment activities may be partially supported with city funds, the City's General Fund and Enterprise Funds and cannot be relied upon as a major source of funding.

Prior to the passage of the Proposition 13 property tax limitation initiative, local government entities in California (including cities) were able to fund many of their ongoing general operating and capital improvement expenses by raising local property taxes. However, the restrictions placed on such practices by this constitutional amendment have resulted in a situation whereby property tax revenues can no longer be relied upon to offset increases in operating and capital costs attributable to inflation or demands for additional services or facilities generated by population growth. This situation, combined with the demise of federal revenue sharing programs in October 1986, and the problems inherent in competing for financing assistance from federal and state government programs, has made it exceedingly difficult for local government entities to collect sufficient annual revenues to finance long-term capital improvements.

a. Gas Tax

Gas taxes are generated statewide on gasoline sales and are allocated to local jurisdictions on a formula based on population and other factors. Gas tax revenues may be used for street maintenance and construction activities. The City's balance in its Gas Tax Fund at the beginning of FY 2000/01 was $1,064,862. An estimated $1,047,540 is expected to be generated in FY 2001/02.

Gas taxes and TDA funds are the primary funds available to the City to fund circulation improvements. The Redevelopment Program assumes that non-Agency sources, including Gas Tax and TDA funds will provide up to 75 percent of the funding for transportation improvements while the Agency will provide the balance of funding.

b. Enterprise Funds

City Enterprise Funds recover the cost of providing goods and/or services to the public primarily through user charges. The City of Lodi has four enterprise funds: electric, water, wastewater and transit. While enterprise funds are expected to set fees and rates at levels which fully cover the direct cost of operations, capital outlay and debt service, the rate structures need to be sensitive to the "market" for similar services, as well as to smaller, infrequent users of the service and the influence rates and fees have on economic development. This market restriction on cost recovery necessarily limits the level of capital repair and replacement that might occur on deteriorating facilities, such as those in the proposed Project Area. The City has historically used enterprise funds to fund necessary water distribution, storm drain and wastewater improvements. The Redevelopment Program assumes that these enterprise funds will provide up to 80 percent of the funding for water distribution, storm drain and wastewater infrastructure improvements in the proposed Project Area.

c. Hotel Tax

A hotel tax (called "transient occupancy tax" or TOT) is paid to the City of Lodi by lodging establishments based on 9 percent of room receipts (6 percent tax rate plus 3 percent surcharge) for "transient" hotel guests (less than 30 day stay). In 2000, the City received $2.2 million in TOT revenues, which were entirely allocated to other programs, such as tourism and visitor attraction programs. Future revenues are anticipated to be allocated to programs to attract visitors to the City of Lodi and are not anticipated to be a major funding source for the proposed redevelopment program. Moreover, as noted in the previous chapter, TOT revenues in the Project Area have been declining over the past few years.

d. Interest Income

Interest income may accrue to an agency from the investment of tax increment revenues and tax increment bond proceeds. Actual income from this source is influenced by the amount of money available for investment, term of the investment, and achievable interest rates.

Income from this source could be made available for a variety of redevelopment activities. However, such income is normally used as an offset against the cost of borrowing money. Much, if not all, of the interest income will likely be offset by the need for the Agency to pay interest on City loans and other indebtedness, including Agency issued bonds.

4. Funds Generated by Private Sector and/or New Development

As permitted by law, in addition to local, state, and/or federal government funding sources, an agency can utilize funds from other sources, such as those generated by the private sector and/or new development. These funding sources and their potential applicability to the Lodi Redevelopment Project are discussed in the following paragraphs.

a. Assessment Districts

Assessment districts enable a city to levy additional taxes on property within designated areas in order to finance improvements directly benefiting those areas. Bonds are issued to finance local improvements such as streets, sidewalks and parking facilities. In a typical case, an assessment district is formed to undertake a particular public improvement, using the Improvement Act of 1911, and bonds are issued under the Improvement Bond Act of 1915. Upon the issuance of bonds, the district has the power to assess all property owners included in the district in order to repay the borrowed funds. An assessment district can be established as its own jurisdiction, or it can be included under a city's taxing system, assuming that the improvement is located entirely within a city's jurisdiction (in this case, it is termed an assessment area). Assessment districts are not limited by Proposition 13 or by Proposition 4. They place the costs of public facilities directly on the property owners who benefit.

Assessment districts have become a common mechanism for funding certain community improvements and could be a potential source of revenue for redevelopment activities in the Project Area, on a limited scale. It should be noted, however, that assessment districts increase site-specific improvements and long-term operating costs for private property owners. Furthermore, there is an inherent risk in forming an assessment district in that it might discourage potential development activity in areas targeted for revitalization and/or redevelopment. For these reasons, assessment districts are often a less desirable funding mechanism than other available options.

Assessment districts are particularly problematic in older, developed areas like the Lodi Redevelopment Project Area, where property values are stagnant, retail sales are declining, and many property owners and businesses are operating on the economic margin with little or no room to add new financial obligations.

In addition to these practical economic limitations, Proposition 218 makes the likelihood of assessment district financing even more problematic. Proposition 218, enacted in November 1996, limits the types of improvements and activities that can be financed through assessment districts, by imposing several conditions on new (and some existing) assessment districts. First, it requires local governments to estimate the amount of special benefit (as distinguished from general benefit) landowners receive from the improvements. Property owners may be charged for only the cost of this special benefit. Local government must use general revenues to pay the remaining portion of the project or service's cost (i.e., general benefit portion). Second, local governments must ensure that no property owner's assessment is greater than the cost of providing the improvement to the owner's property. Third, benefited public properties are required to be included in assessment districts. Proposition 218 also creates a new mailed ballot voter approval mechanism that essentially makes it easier for property owners to defeat assessment district formations. Perhaps most importantly, Proposition 218 eliminates the ability of a city council to form a district over property owner disapproval and shifts the burden of proof to local governments to show that a challenged assessment is legal. In summary, Proposition 218 raises new legal hurdles that make it even less likely that assessment district financing would be a viable funding mechanism for any portion of the Lodi revitalization program.

The City of Lodi currently has an assessment district in the Downtown and along Cherokee Lane (Lodi Central City Revitalization Assessment District No. 95-1), established in 1995 under the provisions of the California Streets and Highways Code, Municipal Improvement Act of 1913. The District encompasses approximately 273 acres, including streets and public rights of way, in the Downtown and along Cherokee Lane. Properties within the District pay an annual assessment, which is used to repay $2.8 million in bonds that were issued to partially fund the total $6.2 million cost of street furniture, trees and other street improvements on School Street, Pine Street, Oak Street and Cherokee Lane. The balance of the $3.5 million cost of improvements was contributed by the City's Enterprise Funds. Where financially feasible, the Agency will encourage the formation of additional assessment districts to help fund projects and activities outlined in the proposed redevelopment program.

The following paragraphs present some examples of other assessment and special districts that could be formed as an additional source of funding for specific projects in Lodi, if found to be financially feasible.

b. Lighting, Landscaping, and Maintenance District

Defined under the Landscaping and Lighting Act of 1972, facility installation and maintenance can be funded from the collection of special assessments on the land benefiting from the improvements. Facilities may include landscaping, statuary, fountains or ornamental facilities, public lighting facilities, and park or recreational equipment, including playground equipment, play courts, and public restrooms.

c. Open Space Maintenance District

An open space maintenance district, as authorized in Government Code Sections 50575-50620, may employ necessary labor and provide the required materials and equipment to maintain and operate planned open space and recreation areas. A city must have complete supervision, charge and control of all open space areas maintained. A city may also levy an annual ad valorem special assessment on the valuation of taxable land and improvements within the maintenance area. State law limits the levy amount.

d. Benefit Assessment Act of 1982

Cities, counties and special districts may establish zones of benefit within which an assessment is levied. Benefit assessments can finance the maintenance and operation costs of drainage, flood control, and streetlight services and the cost of installation and improvement of drainage or flood control facilities. Maintenance of streets, roads and highways can also be funded.

e. Parking District

Authorized under the Parking District Law of 1943, a parking authority exists in every city and county in the state, subject only to the activation by the city council or county board of supervisors. Once activated, the parking authority can issue revenue bonds if a proposal for these bonds is approved by a majority of the voters. The bonds are secured by a pledge of total parking revenues, including revenues from parking meters, surface lots and parking structures.

f. Mello-Roos Community Facilities District

The Mello-Roos Community Facilities Act of 1982 authorizes the formation of a Community Facilities District (CFD) to be used to finance capital improvement projects and to pay for ongoing operations and maintenance of certain facilities. It is similar to an assessment district, but is authorized under separate legislation with different regulations. A CFD may be established in conjunction with a redevelopment project to undertake new public projects of joint benefit. A CFD can levy special taxes and issue bonds to finance these improvements. The formation of a CFD would require Agency approval and would require the affirmative vote of two thirds of the property owners (weighted vote based on acres owned). Typically, Mello-Roos districts are difficult to form in urbanized areas such as Lodi given the two-thirds approval requirements for formation.

g. Public Utility District

Utility districts, including districts for providing water, irrigation, gas and electricity, sewer, solid waste, and hazardous waste facilities are generally empowered by California law to incur bonded indebtedness according to the revenues received from their operations. Under the Municipal Utility District Act, a municipal utility district that owns and operates an electrical distribution, water distribution, or sewage disposal system may issue bonds to construct or improve any part of its system pursuant to the Revenue Bond Law of 1941, which requires approval by majority vote of the residents of the district. According to the provisions of the respective bond law, public utility districts may also issue the following kinds of bonds: general obligation bonds, improvement bonds issued under the Improvement Act of 1911 or the Improvement Bonds Act of 1915, special tax bonds under the Mello-Roos Community Facilities District Act of 1982, revenue or bond anticipation notes, or certificates of participation. Special district issues of improvement bonds issued under the proceedings described in the Municipal Improvement Act of 1913 must be approved by the legislative body of any city or county having direct jurisdiction over any portion of the improvement district. As described earlier, the City of Lodi will continue to use this authority to fund necessary water distribution, storm drain and wastewater improvements.

h. Business Improvement District (BID)

A business improvement district (BID) allows business districts to establish an assessment that generates revenue to support enhanced services, including maintenance, security, marketing and economic development. Two types of BID mechanisms exist under California law: "Business Improvement Areas" (BIAs) and "Property Based Improvement Districts" (PBIDs). The Business Improvement Area has been used widely in the state, and provides for an additional fee to be added to annual business licensing charges. However, due to the limited income generated through the business license fee, BIAs have typically had a relatively narrow scope of services.

The City currently has a BIA in the Downtown. Established in 1997 by City Ordinance Number 1654, the Downtown Lodi Business Improvement Area (DLBIA) has a membership of approximately 220 business owners, professionals and merchants and is governed by the on-profit Downtown Lodi Business Partnership (DLBP). Businesses within the improvement area pay a mandatory annual assessment, which varies based on the type of business and the benefit zone within which the business lies. Revenues for the DLBP in 2001 were approximately $224,000, comprised of $36,000 in annual assessments, $47,000 from the City's General Fund, $114,000 from special fund raising events and $27,000 carry-over of previous year's funds. The DPBP funds cooperative advertising and marketing, promotional activities and special events that benefit DLBIA members, such as See's Candy sales, the Farmers Market, Halloween Festival, December Parade of Lights, and "Downtown Lodi Live." The DLBIA is not anticipated to be a funding source for any of the proposed redevelopment programs or activities.

In 1994, the Property and Business Improvement District Law provided for an assessment on commercial property, thereby paving the way for a new generation of PBIDs to eventually replace the existing BIAs. PBIDs can fund a wide range of activities, such as security, maintenance, economic development, promotion and management activities, as well as public improvements such as acquisition and maintenance of parking facilities, benches, trash receptacles, street lighting, decorations, parks, and fountains. The creation of a PBID requires petition support from businesses that would pay more than 50 percent of the annual fees to be collected in the proposed area. A PBID has a cap on assessments and a five-year maximum life, requiring a new petition process to renew.

PBIDs require the creation of an advisory committee of property and business owners, ensuring that those who pay govern the district. Private property owners play an active role in the collaboration of the reinvestment in depressed areas. Business groups organize and prioritize the issues identified by the community. Once a majority of property owners reach consensus on a plan, it can be funded by PBID revenues. Funds from the PBID can be leveraged with CDBG and redevelopment funds to realize greater objectives. Funds can be used for capital costs although they are typically used for "clean and safe" programs, district promotions and marketing costs. Funds need to be leveraged to achieve larger results.

i. Development Impact Fees

The City of Lodi has a comprehensive development impact fee program to fund fire and public safety facilities, streets, water and wastewater improvements. Impact fees are charged on all new private development in the city to help pay for the costs of public facilities and infrastructure to serve the needs of future residents and businesses.

Under applicable state laws regarding the imposition of development impact fees, such fees can be imposed on a new private development only to the extent that there is a direct nexus or relationship between the need for public facilities caused by such new development and the level of fees imposed. Such fees are specifically prohibited from being charged to alleviate existing deficiencies. The proposed redevelopment program is largely designed to eliminate blighting conditions through the removal or replacement of existing deficient improvements. Consequently, development impact fees collectable by the City will not be allowed to fund such improvements. To the extent proposed improvements are intended to serve new development in the Project Area, development impact fees may be used as a potential funding source, to the extent allowable by law.

The drawback of relying on fees as a source of funding is the timing of their collection and subsequent availability, as compared to the funding need for the improvement. These fees can only be used on a pay-as-you-go basis and cannot be bonded as they are likely to fluctuate greatly from year to year.

j. Developer and Property Owner Participation

In many communities, developer participation has become a much more common vehicle for obtaining funds for redevelopment activities. For example, funds may be advanced to a redevelopment agency in the form of a grant or loan for public improvements, which are then repaid during the course of project implementation from tax increment revenues. These funds can contribute to selected projects; however, they are dependent on the level of development activity in the Project Area.

Although the Agency is interested in pursuing such opportunities, such participation is speculative and cannot be counted on. Furthermore, development within the Project Area is constrained by physical and economic blighting conditions, and as a result, developer exactions are unlikely to generate any significant amount of funding as an offset to public implementation costs. Within the context of the forgoing considerations, it would not be prudent at this point for the Agency to base a long-term project on the ability of one (or more) prospective developer(s) to advance funds for redevelopment activities. However, the proposed Agency budget assumes private participation in certain of the redevelopment program activities.

k. Private Donations

Private donations by individuals, civic booster organizations, or corporate sponsors could make a minor contribution to the implementation of the Redevelopment Program. Donations could be used to fund all or part of minor streetscape improvements such as benches, entrance signage, directional signs, bicycle racks, or landscaping. However, in terms of the total funding needs of the Redevelopment Program, donations may be expected to provide only a very small part of the funding needed for the Redevelopment Program's implementation.

l. Private Loan Assistance

Congress created the Community Reinvestment Act (CRA) to encourage banks to invest in their local communities. The purpose of the CRA is to ensure that banks lend in all communities. All of the major banks in California have significant CRA loan programs. Although the CRA will assure that loan funds will be available for rehabilitation in the Project Area, banks will apply normal credit standards and do not provide subsidies.

Other types of loan programs available through banks include the Federal Title 1 Program for housing rehabilitation and Small Business Administration programs for business creation or expansion. The purpose of Title 1 loans is to assist residential property owners to improve property and eliminate health and safety problems. Title 1 loans are for single family homes (up to $25,000) and multifamily developments (up to $60,000). Affordable housing loans and grants are also available through savings and loans institutions.

m. Mills Act

An owner of an eligible historic property may enter into a ten-year contract with a participating city to rehabilitate the building in exchange for a reduction in local property taxes. Owner occupied single family residences or income producing commercial properties may qualify for the Mills Act program. However, eligible properties must be listed on the National Register of Historic Places, be located in a National Register or local historic district, or be listed on a state, county or city official register. While this could be an applicable source of funds for historic preservation projects, it would require significant start-up cost and resource dedication from the City of Lodi, since the City would have to adopt the Mills Act.

n. Private Investment

Private investment in the Project Area has been limited in most areas, as indicated by the blighting conditions. The private sector is unlikely to provide the extensive improvements necessary to revitalize the area. The blighting conditions are likely to continue or become worse without significant private investment in the Project Area.

D. Other Funding Sources Considered to Be Infeasible

A variety of other funding sources were considered to fund the proposed Redevelopment Program, as discussed in the previous sections. As permitted by law, funds can be from local, state and/or federal government sources, and from private sector sources. However, to a large extent, existing resources for the proposed redevelopment program have been maximized. Other sources are dwindling or have been found to be clearly infeasible or to have little potential of generating measurable revenues. Due to the infeasibility of other funding sources, the Agency will rely on tax increment revenue as a major funding source for the proposed redevelopment program.

E. Tax Increment Financing: The Primary Source of Funding

1. Introduction

The primary source of financing for most redevelopment projects is tax increment revenue generated by the increase in property values within a project area. The detailed tax increment projections for a redevelopment project in the Project Area are contained in Appendix F of this report.

The CRL imposes specific time and fiscal limits on particular Agency activities. These time limits affect the amount of tax increment revenue an agency can receive.

- **Time Limit for Eminent Domain Powers**
  The Agency can exercise its eminent domain powers for 12 years from the adoption of the redevelopment plan. Although this limit does not directly affect tax increment revenues, it could have an impact on the agency's ability to implement its redevelopment program.
- **Time Limit to Incur Debt**
  The Agency's ability to enter into new bonded indebtedness is limited to 20 years from the adoption of the redevelopment plan.
- **Time Limit to Receive Tax Increment and Repay Debt**
  The Agency can collect tax increment for 45 years to repay debt. Thus, the Agency has 25 years to repay bonds issued in year 20, the last year for issuance of debt. The Agency can continue to repay debt for 15 years after it has completed all project activities.
- **Limit on Amount of Outstanding Bonded Indebtedness**
  The Redevelopment Plan must contain limits regarding the total amount of outstanding bonded indebtedness secured by tax increment revenue. As noted in Chapter I, the Agency intends to limit the amount of outstanding bonded indebtedness over the life of the Plan to $100 million.

Based on the assumptions outlined in this chapter, the tax increment available for the proposed Redevelopment Program (both housing and non-housing activities) over the 45 year life of the Redevelopment Plan would be sufficient to meet the costs of the Program, which cannot reasonably be financed from other sources. Refer to the tables in Appendix F for detailed analysis of potential tax increment revenues for the proposed Redevelopment Project.

The Redevelopment Agency may also accept financial or other assistance from any public or private source for purposes of redevelopment consistent with the CRL and the Redevelopment Plan. However, as described in the previous section, in the City of Lodi, funding from other reasonably available private and public funding sources is available for only a portion of the proposed projects.

2. Using Tax Increment Revenue to Eliminate Blighting Conditions

The general purpose of redevelopment is the elimination of blighting conditions. The completion of a redevelopment program results in a project area that is physically enhanced and economically stronger.

Substantial evidence of physical and economic blight within the proposed Project Area was provided in Chapter II. The Redevelopment Program described in Chapter III is specifically designed to stimulate private investment and alleviate physical and economic blighting conditions in the Project Area. The use of tax increment revenue is the most appropriate means of providing sufficient funding for the Redevelopment Program.

3. Stabilizing and Enhancing the Property Tax Base

In many communities, the adoption and implementation of redevelopment programs has led to the stabilization of tax rolls and tax receipts for taxing entities within project areas. As a result, these communities have avoided declines in tax revenues due to worsening conditions and the erosion of property values.

In most redevelopment project areas, the use of public redevelopment funds to provide public investment to leverage private investment has resulted in substantial increases in property values over time due to rehabilitation, new construction and property appreciation.

4. Establishing a Frozen Base

The first major step in the implementation of a tax increment financing program is accomplished at the time of formal redevelopment plan adoption. The total value of taxable property within a project area's boundaries at the time of adoption is determined, and a base year for tax increment purposes is established. The tax roll used is formally called the "base year assessment roll", more commonly referred to as the "frozen base". The establishment of a frozen base provides for a segregation of assessed values between existing values and enhanced values deriving from future redevelopment of a project area. Future property taxes related to increases over the frozen base assessed value are referred to as incremental taxes or tax increment.

Tax increment revenues are projected by applying the property tax rate to the incremental assessed value over the frozen base. The frozen base is the total assessed value of property in a project area, including homeowners' exemptions, at the time the Redevelopment Plan is adopted.[2]

5. Distribution of Property Taxes During Project Implementation

Following adoption of a redevelopment plan, all of the entities that levy taxes in a project area, such as the county, city, school districts, and special assessment districts, continue to receive all property tax revenues accruable from the frozen base. In addition, they will receive a portion of the property tax revenues generated from the increases in assessed value over the frozen base.

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[2] The official County Fiscal Officer's Report for the proposed Project Area is provided in Appendix E, and includes locally assessed value plus homeowners' exemptions plus state-assessed property as reported by the State Board of Equalization.

These additional payments are called "pass-through payments" (see Section E.5 for a detailed explanation of the calculation of pass-through payments). Table IV-2 lists the taxing entities and percent distribution of property taxes among the entities.

Table IV-2
Property Tax Distribution
Lodi Redevelopment Project Area

Taxing Entity	Percent Share
1. General Fund	16.4%
2. County General Fund	21.7%
3. Lodi Unified Schools	27.7%
4. San Joaquin Delta Community College	3.9%
5. County Office of Education	1.4%
6. San Joaquin County Flood Control	0.2%
7. San Joaquin County Mosquito Abatement	0.8%
8. North San Joaquin Water Conservation	0.5%
9. Education Revenue Augmentation Fund	27.6%
TOTAL	100.0%

Note: These factors are adjusted for the Educational Revenue Augmentation Fund (ERAF). The City General Fund and County General Fund contribute to ERAF. Totals may not add up to 100% due to rounding.

Source: San Joaquin County Auditor-Controller, January 2002.

Increased property tax revenues above the frozen base and after payment of obligations are allocated to the sponsoring redevelopment agency to be used to fund the costs of implementing the Redevelopment Program. The agency may pay for the project on an ongoing (pay as you go) basis, or it may borrow funds (issue bonds) to be repaid by future tax increment revenues.

6. Distribution of Property Taxes after Project Completion

When a redevelopment project is completed and loans or other indebtedness have been repaid, all property taxes flow back to the respective taxing entities. These entities then benefit from increases in property tax revenues resulting from a revitalized and redeveloped project area. In many communities, such increases are substantial. In fact, over time, taxing entities can recoup sufficient revenues following project completion to make up for the property tax revenue that was used for tax increment during the redevelopment implementation period.

This would occur because the increases in assessed valuation from project area revitalization are sufficiently greater under redevelopment than the assessed valuation increases that would realistically occur without redevelopment. Thus, payments to the affected taxing entities resulting from new development and reassessments at the time of property transfers can exceed the normal property taxes that the taxing entities would receive from a slow growing assessed valuation roll without redevelopment.

F. Assumptions Used in Tax Increment Projections

The primary source of funding for the Lodi Redevelopment Project will be tax increment financing. It is the most reliable source of long term funding and the only source that will generate enough funds to meet the cost of the proposed Redevelopment Program. Refer to the tables in Appendix F for a detailed analysis of potential tax increment revenues for the proposed Redevelopment Project.

The projections in this report are based upon Seifel Consulting's understanding of the general assessment practices of San Joaquin County. These practices are subject to policy changes, legislative changes, and the individual appraiser's judgment. While Seifel Consulting believes its estimates are reasonable, taxable values resulting from actual appraisals and adjustments are likely to vary from the amounts assumed in the projections.

The tax increment projections are intended only as estimates, which are based on the best available information as of January 2002. Actual tax increments may be higher or lower than indicated in the model. The development projections shown in Appendix F are not intended to predict future development, but rather to provide a reasonable estimate, on an annual basis, of potential tax increment growth resulting from the increase in assessed value resulting from new development.

1. Present Value Assumptions

The analysis below provides estimates of tax increment revenues in both future value (nominal) dollars and present value (constant) dollars. The purchasing power of nominal dollars would decline because of inflation and/or the cost of borrowing. Therefore, it is important to convert the annual amounts to the equivalent value in constant 2002 dollars before making a direct comparison between potential revenues and project costs.

The present value in 2002 dollars was calculated by discounting future tax increment revenues by an annual rate of 5.5 percent. As the discount rate increases, the present value figure decreases. This discount rate is estimated to be equivalent to the average cost of funds for the City of Lodi and its Redevelopment Agency. It accounts for the cost of inflation, as well as the cost of borrowing money, to approximate the present value of future dollars. Most tax increment will be pledged to the issuance of debt, and only a portion of tax increment will be used on a pay as you go basis.

2. Frozen Base

The base year for the proposed Project Area will be Fiscal Year (FY) 2001/02, as provided in the San Joaquin County Fiscal Officer's Report (Section 33328 Report). The base year assessed value is $540.2 million.

3. Growth Assumptions

Tax increment revenues are generated from the growth in assessed value above the frozen base. Growth in assessed property values in the proposed Project Area is based upon the following three factors:

a. Annual Inflation Rate

The annual inflation rate is assumed at two percent per year for secured properties that remain in the same ownership. Two percent is the maximum annual increase allowed by the California State Constitution as a result of Proposition 13. This inflation factor is applied to the assessed value of secured property. Unsecured and state-assessed property is conservatively assumed to remain constant.

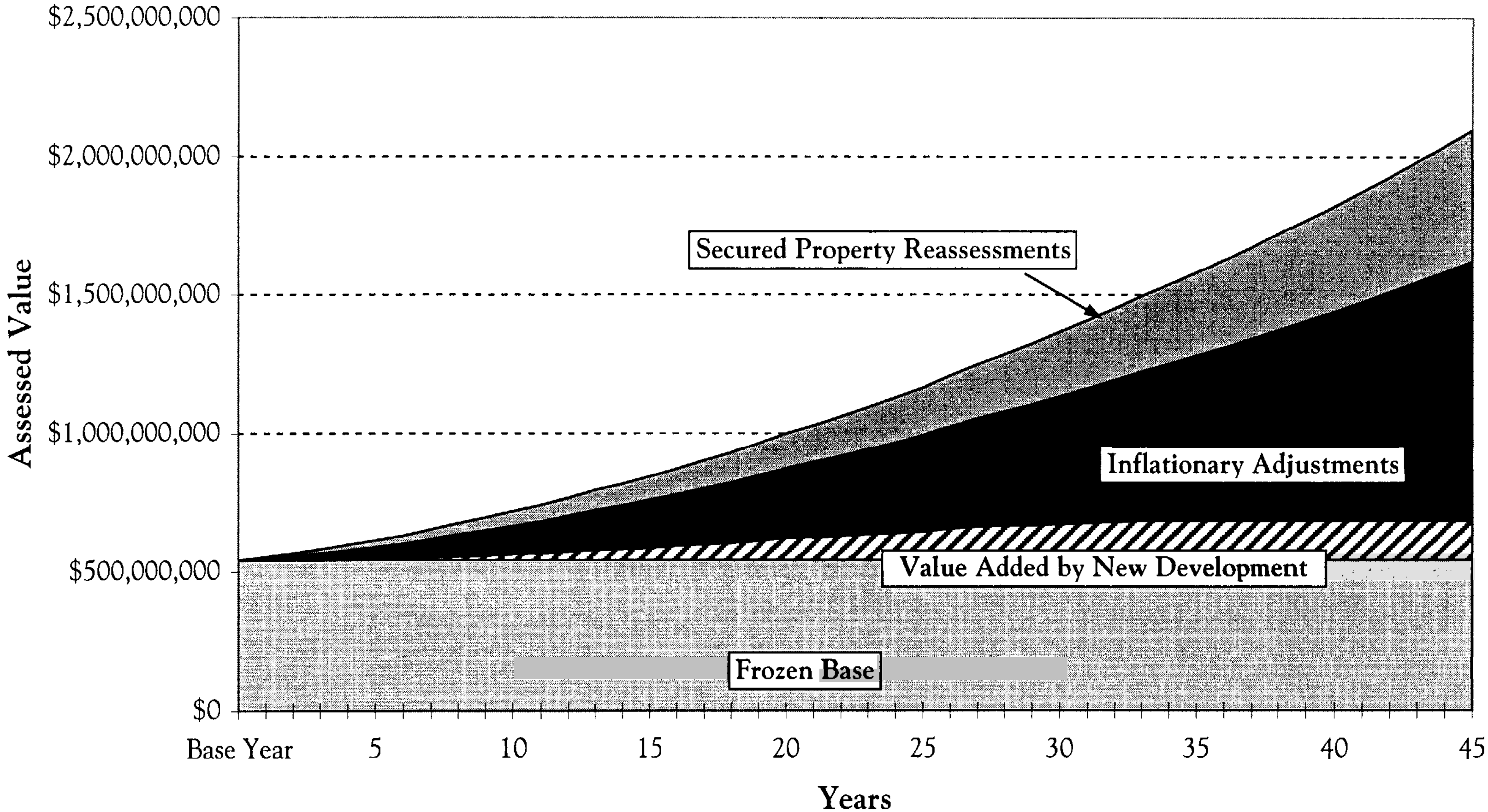
b. Reassessment Adjustment

An annual reassessment adjustment, assumed at one percent, represents the increases in assessed value following property reassessment, which is triggered by: (1) the transfer (sale) of real property, (2) upgrading of real property improvements due to rehabilitation or additions to existing buildings, or (3) the reassessments of new development to market value once construction is completed.

c. New Development

The projection for the incremental value from new development is based on estimates of growth that will occur with new construction and redevelopment of residential, commercial and industrial properties. These estimates conservatively assume that only 85 percent of the projected buildout for the Project Area, as evaluated in the Environmental Impact Report (EIR), will actually occur. (Refer to the development tables in Appendix F for detailed annual development schedules in the Project Area.) Graph IV-1 illustrates the growth in assessed valuation based on these growth assumptions for the Project Area.

Graph IV-1
Projected Assessed Valuation Growth
Proposed Lodi Redevelopment Project Area
(Future Value Dollars)



4. Agency Tax Increment Obligations

Incremental property tax revenues are projected by applying the effective property tax rate, assumed at one percent, to the estimated increased assessed value over the frozen base. The Agency must use the tax increment revenues to fulfill the following obligations:

- County retention fee for property tax administration
  Counties typically retain fees for the administration of tax increment revenues. The projections in this Report include this potential San Joaquin County administration fee deduction, assumed at 1.5 percent of gross tax revenues.

- Statutory Pass-through Payments
  Each taxing entity deriving property tax revenue within the Lodi Project Area is guaranteed an annual payment from the Agency. These payments are termed pass-through payments because the Agency would forward this portion of tax increment revenues to the taxing entities. The CRL provides standard formulas for the calculation of pass-through payments. Each entity would receive a payment in proportion to its property tax levy within the Project Area at the time of Plan adoption. The pass-through payments constitute the State Legislature's determination of the amount of payments necessary to alleviate any financial burden of a redevelopment program to affected taxing entities. Health and Safety Code Section 33607.5(f)(1)(B) states that statutory pass-through payments are the exclusive payments that are required to be made by a redevelopment agency to affected taxing entities during the term of a redevelopment plan. (See Section F.5 below for further details on these payments.)

- Additional Payments to Basic Aid Entities
  Basic aid school entities receive annual payments from an agency in addition to their standard pass-through. No basic aid districts have been indicated in the Project Area.

- Set-Aside for Housing Program
  Section 33334.2 of the CRL requires that 20 percent of the gross tax increment revenues collected by the Redevelopment Agency be used for increasing and/or improving the community's supply of low and moderate income housing. In other words, 20 cents out of each tax dollar allocated to the Agency during the life of the Project Area must be channeled into a Housing Set-Aside Fund to finance the Agency's programs for affordable housing. Administrative costs related to the implementation of the Housing Program are paid out of the Housing Set-Aside Fund.

- Debt Service Obligations
  An agency must make annual debt service payments on outstanding indebtedness. Most agencies issue bonds to undertake projects because sufficient tax increment revenues are not likely to be generated for a number of years after initiating the Redevelopment Plan. The Agency will incur debt obligations as a result of issuing bonds. The cost of paying off the principal and interest of this bond debt is accounted for by applying a higher present value discount rate, which is equal approximately to the cost of borrowing funds for the City. (Refer to the discussion of present value assumptions in section D.1 of this chapter.)

- Agency Administration
  Non-reimbursable Agency administrative costs are projected at 10 percent of tax increment for non-housing projects. As mentioned above, this figure does not include the administrative costs for the Affordable Housing Program.

After meeting the above obligations, the remaining tax increment revenues are available to the Agency to fund the Non-Housing Redevelopment Program described in Chapter III of this Report.

5. Calculation of Pass-Through Payments

Over the life of the Redevelopment Project, each taxing entity will receive its proportionate share of pass-through payments, calculated for three tiers. Each taxing entity receives an amount equal to its property tax levy multiplied by the increase in assessed value above the relevant pass-through base assessed value, then multiplied by a mandated pass-through percentage for each of three tiers.

- <u>Tier One</u>
  20 percent of the gross tax increment received by the Agency from assessed value growth above the frozen base (equivalent to 25 percent of the net tax increment after the Agency's 20 percent of the housing set-aside is deducted). This annual payment begins when the Agency first receives tax increment revenues. Pass-throughs are the same as the Housing Set-Aside amount for the first ten years of the Project.

  The City of Lodi can elect to receive the tier one pass-through (its proportionate share of 20 percent of gross tax increment). However, it then cannot participate in the tier two and tier three pass-throughs. This Preliminary Report assumes that the City of Lodi will elect to receive its share of the pass-through, although the City has the option to forego these pass-through payments. Over the life of the proposed Redevelopment Plan, the City of Lodi's pass-through payments from tax increment are projected to total almost $2 million in constant 2002 dollars.

- <u>Tier Two</u>
  16.8 percent of the gross tax increment received by the Agency from assessed value growth above the tier two pass-through assessed value base, equal to the Project Area assessed value in the tenth year. This annual payment begins in the eleventh year during which the Agency receives tax increment revenue. This tier two pass-through is added to the tier one payment and continues through the life of the Redevelopment Project.

- <u>Tier Three</u>
  11.2 percent of the gross tax increment received by the Agency from assessed value growth above the tier three assessed value base, equal to the Project Area assessed value in the thirtieth year. This annual payment begins the thirty-first year during which the Agency receives tax increment revenue. This tier three pass-through is added to the tier one and tier two payments and continues through the life of the project.

County Auditor-Controllers must contribute to the Educational Revenue Augmentation Fund (ERAF) on behalf of certain taxing entities within their jurisdictions. To make these payments, an Auditor-Controller may adjust the levies of taxing entities, resulting in a decrease in their share of the total property tax. The remainder of property tax is forwarded to ERAF. Not all entities must contribute a share of their property tax to ERAF in this way. For example, school districts and taxing entities whose boundaries extend across multiple counties are not affected.

In San Joaquin County, the Auditor-Controller adjusts downward the levies for all entities in each tax rate area that contribute to ERAF and creates a separate ERAF "levy" to reflect the sum of their contributions to ERAF for each tax rate area. The preliminary County Fiscal Officer's Report contained in Appendix E lists the property tax levies adjusted for ERAF for all of the affected taxing entities in the Project Area. This Preliminary Report utilizes the property tax levies that are adjusted for ERAF for the purpose of calculating pass-through payments, although State Law does not clearly indicate whether or not ERAF adjusted or unadjusted property tax levies should be used. The distribution of the property taxes from the base assessed value is based on these ERAF adjusted factors, after adjusting for the ERAF portion of the County's contractual pass-through in the Original Area.

G. Tax Increment Projections

1. Incremental Tax Revenues

The assessed value of the Project Area is projected to grow by over $154 billion (over the base assessed value of $540.2 million) during the 45-year tax increment collection. Incremental tax revenues are generated by the growth in the assessed value of the Project Area over the base assessed value. Graph IV-1 (shown previously) illustrates the projected growth over the base assessed value, attributable to inflation on properties that remain in the same ownership, new development, and reassessments.

The projections shown in Table IV-3 represent total revenues to the Agency over the 45-year life of the Project. Tax increment revenues will actually accrue over time, with limited revenues in the early years of implementation, which will grow as the assessed value of the Project Area increases.

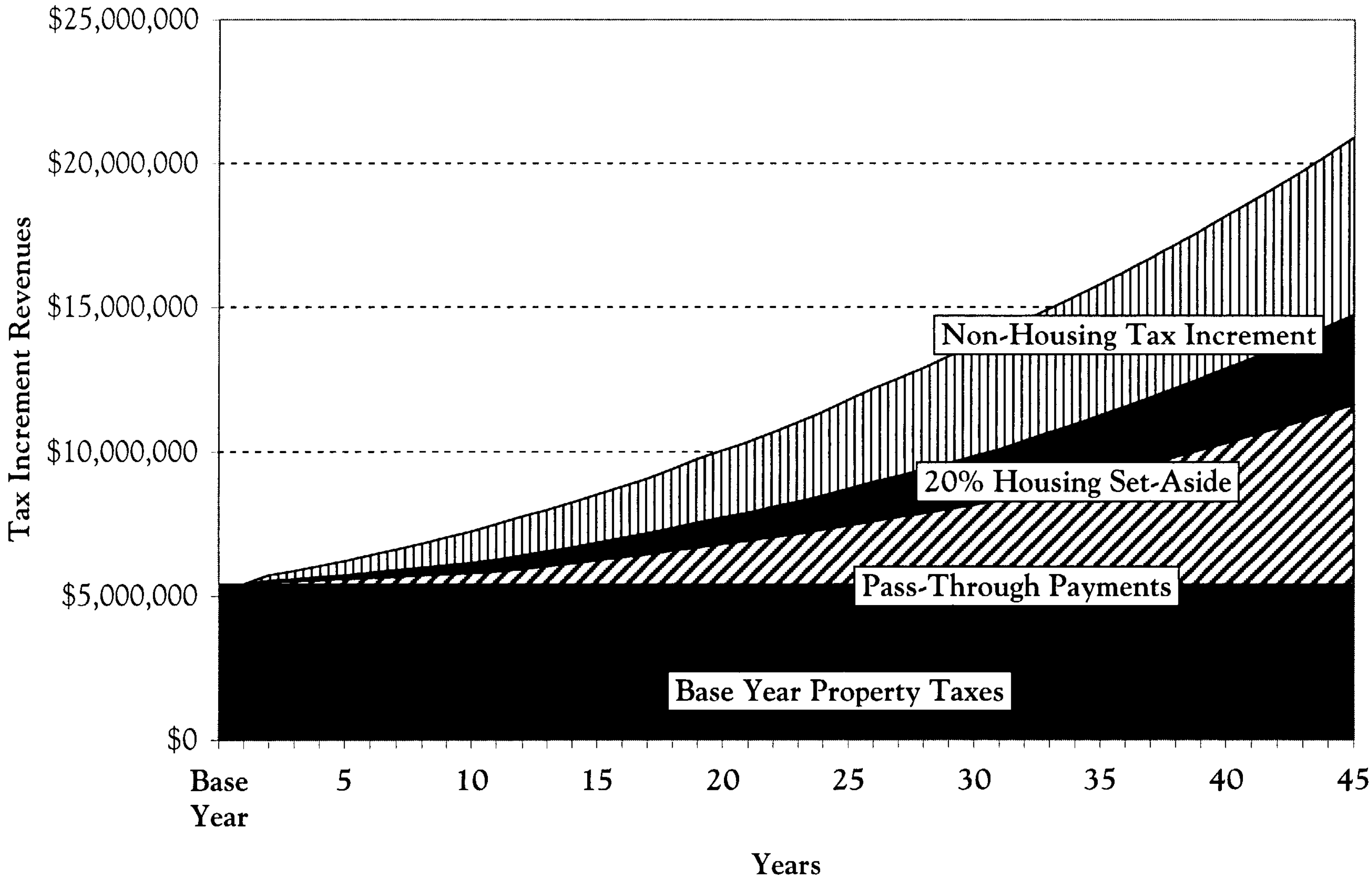
Graph IV-2 illustrates the growth of tax increment revenues over time, in future value dollars. The graph shows tax increment growth over the base year property taxes through the life of the Project. This graph also shows the distribution of tax increment revenues over time among affected taxing entities, affordable housing activities and non-affordable housing activities. Detailed annual tax increment projections are presented in Appendix F.

Table IV-3
Summary of Tax Increment Projections
Lodi Redevelopment Project

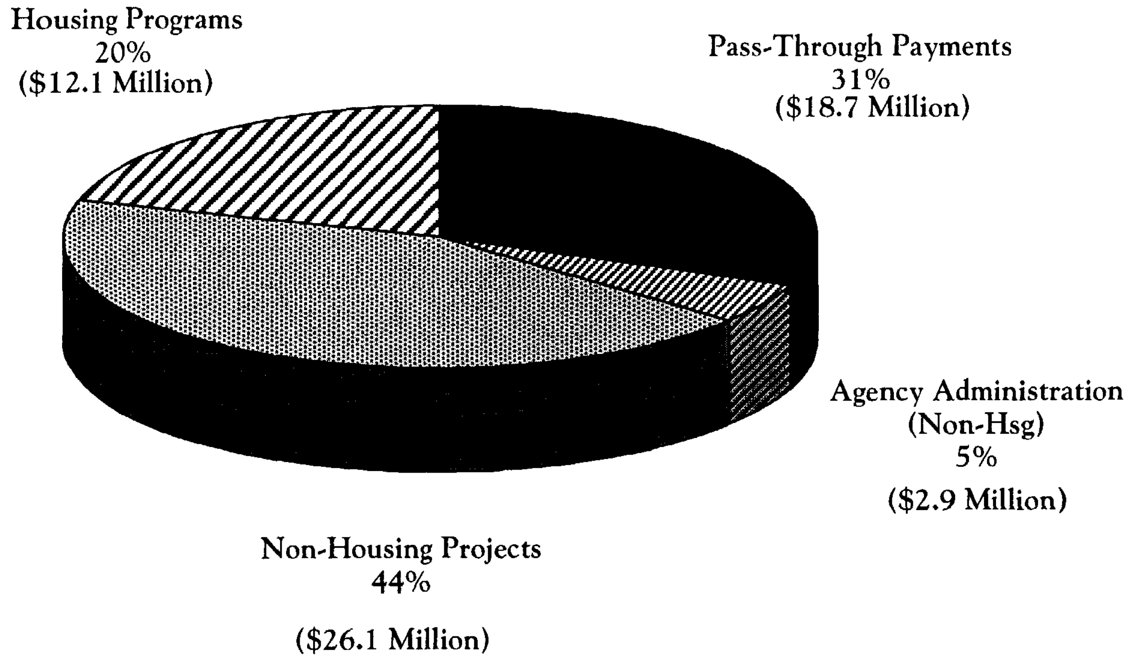
	Future Value (Nominal Dollars)	Present Value (Constant 2002 Dollars)
Incremental Tax Revenues	$290,600,000	$60,700,000
Less: County Property Tax Administration	4,400,000	900,000
Tax Revenues Remitted to Agency	286,200,000	59,800,000
Less: Pass-Throughs to Taxing Entities	98,300,000	18,700,000
Less: Debt Obligation	0	0
TI Available to Agency After Obligations	187,900,000	41,100,000
Less: Housing Set-Aside	58,100,000	12,100,000
Tax Increment Available for Non-Housing Program	129,800,000	29,000,000
Less: Agency Administration Costs	13,000,000	2,900,000
Tax Increment Available for Non-Housing Projects	$116,800,000	$26,100,000

Graph IV-3 summarizes the distribution of tax increment revenues over the 45-year life of the Project (in constant 2002 dollars).

Graph IV-2
Tax Increment Projections
Proposed Lodi Redevelopment Project
(Future Value Dollars)



Graph IV-3
Distribution of Tax Increment Revenues
Over the 45 Year Life of the Project
Proposed Lodi Redevelopment Project Area
(Constant FY 2001/02 Dollars)



2. Tax Increment Available for Affordable Housing Activities

About $58 million in nominal dollars, 20 percent of gross tax increment revenues, is projected to be contributed to the Housing Set-Aside Fund. This amount is equivalent to about $12 million in constant 2002 dollars.

The 20 percent Housing Set-Aside funds will be the primary source of funding for affordable housing in the Lodi Redevelopment Project. Any excess tax increment after debt service for the Non-Affordable Housing Redevelopment Program will also be available to the Agency.

3. Tax Increment Available for Non-Housing Activities

After fulfilling its affordable housing, pass-through obligations, it is projected that tax increment revenues available to fund the Agency's Non-Housing Redevelopment Program and associated administrative costs would be about $134 million in nominal dollars. This amount is equivalent to almost $30 million in constant 2002 dollars.

H. Financial Feasibility of the Proposed Redevelopment Project

This section demonstrates why tax increment revenue made possible through the proposed Redevelopment Plan will be a necessary part of the overall financing program to eliminate blighting conditions in the proposed Project Area. By utilizing tax increment revenue, the Agency has a feasible plan for financing the redevelopment program to alleviate blight. Together with other public and private revenue sources, tax increment financing will be a critical funding component in helping the City of Lodi meet the costs required to implement the Redevelopment Program.

To evaluate the feasibility of the proposed Redevelopment Project, the following analysis compares the Redevelopment Program's costs and tax increment revenues. As previously shown in Table IV-1, the net cost to the Agency to complete the proposed Redevelopment Program (excluding non-housing Agency administrative costs) is approximately $36.5 million in constant 2002 dollars.

The Agency is projected to receive about $41.1 million in tax increment revenue for the Redevelopment Program (in constant 2002 dollars). The Agency is expected to require about $12.1 million for affordable housing, $24.3 million for other non-housing activities, and $2.9 million for non-housing administration. Thus, the Agency will have sufficient funds to support its Redevelopment Program, but little available surplus as shown in Table IV-4.

Table IV-4
Comparison of Estimated Tax Increment Revenues and Funding Requirements
(2002 dollars)

Tax Increment Available for Projects[3]	**$41.1 million**
Less: Housing Program Fund Requirements	$12.1 million
Less: Projected Administration Expense for Non-Affordable Housing Activities	$2.9 million
Less: Non-Housing Program Funding Requirements[4]	$24.3 million
Funding Surplus	**$1.8 million**

Although the estimated project costs and the projected revenues will vary over time from those set forth in the estimates and projections presented in this chapter, it is reasonable to conclude that the Redevelopment Project is financially feasible within the 45 year duration of the Plan.[5]

I. Reasons Why Tax Increment Financing Is Necessary

This chapter demonstrates the general economic feasibility of the proposed Redevelopment Project and the reason for including the provision for the division of taxes pursuant to Section 33670 in the Redevelopment Plan, as required by law. As discussed in this chapter, the costs to alleviate documented blighting conditions substantially exceed available funding from public and private sources. Tax increment financing (as outlined in Section C of this chapter) is the only source available to the community to fill the substantial gap between the costs of the Redevelopment Program and other public and private revenue sources. Because these projects and activities are critical to the revitalization and conservation of the Project Area, tax increment financing is needed to assist in funding these projects. Tax increment financing has been and will continue to be the critical funding source that will help the City fund the Redevelopment Program's cost.

The private sector alone cannot financially support the substantial costs of the proposed Redevelopment Program. Because these projects and activities are critical to the revitalization and conservation of the proposed Lodi Project Area, tax increment financing is needed to assist in funding these projects. Tax increment financing will be the critical funding source that will help the City of Lodi fund the Redevelopment Program's cost.

[3] Present value of future tax increment revenues projected to be available for implementation of the Redevelopment Program (includes housing, non-housing and non-housing administration costs). See Appendix F for details.
[4] See Table IV-1.
[5] The tax increment projections are intended only as estimates, which are based on the best available information as of January 2002. Actual tax increments may be higher or lower than indicated in the model. The development projections shown in Appendix F are not intended to predict future development, but rather to provide a reasonable estimate, on an average annualized basis, of potential tax increment growth resulting from the increase in assessed value resulting from the new development.

Appendix A:
Sources

SOURCES

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This report was prepared by the Lodi Redevelopment Agency in association with Seifel Consulting Inc.

Appendix B:
Legal Description of the Project Area

REGISTERED PROFESSIONAL ENGINEER
TERRY PIAZZA
No. 19638
Exp. 9-30-01
CIVIL
STATE OF CALIFORNIA

September 3, 2001

JOB NO. 0048

CITY OF LODI

REDEVELOPMENT PROJECT NO. 1

LEGAL DESCRIPTION OF THE PROJECT AREA BOUNDARY

Commencing at a brass disk at the Southwest corner of the Southeast quarter of Section 12, Township 3 North, Range 6 East, Mount Diablo Base and Meridian; thence South 11° 03' 40" West 97.99 feet to an angle point on the South line of State Highway Route No. 12 and the True Point of Beginning; thence along the South line of said Highway the following four courses: (1) South 86° 52' 18" West, 55.24 feet, (2) South 83° 26' 17" West, 500.90 feet, (3) South 84° 34' 39" West, 299.36 feet, (4) North 89° 46' 57" West, 453.16 feet; thence North 03° 15' 30" East, 703.0 feet to the North line of Tamarack Drive; thence South 86° 41' 04" West, 10.0 feet; thence North 03° 04' 04" East, 67 feet; thence South 86° 41' 04" West, 25 feet; thence North 03° 04' 04" East, 100 feet; thence North 86° 41' 04" East, 25 feet; thence North 03° 04' 04" East, 215 feet; thence North 86° 22' 04" East, 12.70 feet; thence North 02° 25' 44" East, 329.86 feet; thence North 86° 41' 04" East, 22.86 feet; thence North 03° 00' 04" East, 112.7 feet; thence South 86° 41' 04" West, 32.91 feet; thence North 03° 04' 04" East, 36.96 feet; thence North 86° 41' 04" East, 10 feet; thence North 03° 04' 04" East, 252.60 feet more or less to the North line of Park Street; thence along said North line and its westerly projection South 86° 39' 04" West, 223.11

feet to the West line of School Street; thence along the West line of School Street the following four courses: (1) North 03° 05' 34" East, 417.09 feet, (2) North 03° 00' 04" East, 558.90 feet, (3) North 02° 54' 29" East, 1322.86 feet, (4) North 03° 12' 49" East, 943.28 feet to the South line of Chestnut Street; thence along the South line of Chestnut Street, South 85° 21' 00" West, 325.78 feet to the southerly projection of the East line of Church Street; thence along the East line of Church Street, North 02° 50' 00" East, 165.00 feet; thence South 85° 21' 00" West, 250.00 feet to the West line of an alley; thence along the West and South lines of said alley the following three courses: (1) North 2° 50' 00" East, 10.00 feet, (2) North 29° 45' 17" West, 33.11 feet, (3) South 85° 21' 00" West, 495.00 feet to the East line of Lee Avenue; thence along the East line of Lee Avenue, South 02° 50' 00" West, 200.00 feet to the South line of Chestnut Street; thence along the South line of Chestnut Street, South 85° 21' 00" West, 301.39 feet to the East line of Hutchins Street; thence along the East line of Hutchins Street, South 01° 04' 00" East, 73.86 feet; thence South 89° 31' 30" West, 944.15 feet; thence North 01° 04' 00" West, 296.40 feet; thence South 89° 31' 30" West, 57.85 feet; thence South 01° 04' 00" East, 5.00 feet; thence South 89° 31' 30" West, 390.00 feet; thence South 01° 04' 00" East, 384.80 feet; thence South 89° 31' 30" West, 232.00 feet; thence North 1° 04' 00" West, 240.00 feet to the Northeast corner of Lot 24 of TURNAGE SUBDIVISION as filed in Volume 11 of Maps and Plats, page 119, San Joaquin County Records; thence South 89° 31' 30" West, 100.00 feet to the Northwest corner of said Lot 24' thence along the East line of Orange Avenue, North

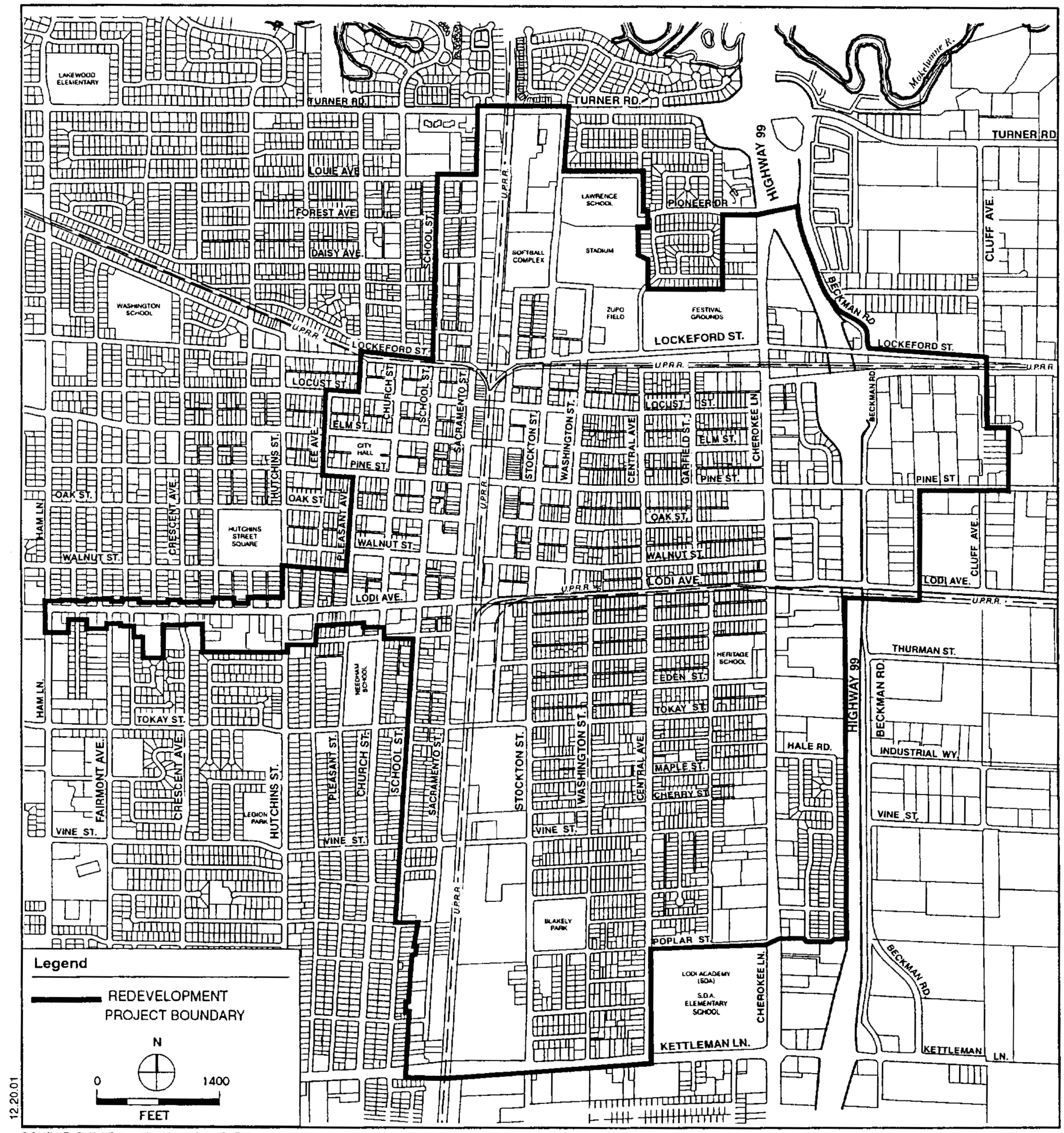
01° 04' 00" West, 134.80 feet; thence South 89° 31' 30" West, 50.00 feet; thence South 01° 04' 00" East, 10.80 feet; thence South 89° 31' 30" West, 97.30 feet; thence North 01° 07' 15" West, 40.00 feet; thence South 89° 31' 30" West, 157.34 feet to the West line of Fairmont Avenue; thence along the West line of Fairmont Avenue, South 01° 11' 30" East, 78.00 feet; thence South 89° 31' 30" West, 219.11 feet to the West line of the CULBERTSON TRACT as filed in Volume 11 of Maps and Plats, page 53, San Joaquin County Records; thence North 01° 11' 30" West, 114.80 feet to the Southeast corner of Lot 29 of the CULBERTSON TRACT; thence South 89° 31' 30" West, 219.11 feet to the Southwest corner of Lot 30 of said CULBERTSON TRACT; thence along the West line of said CULBERTSON TRACT, South 01° 11' 30" East, 161.00 feet; thence South 89° 31' 30" West, 259.11 feet to the West line of Ham Lane; thence along the West line of Ham Lane, North 01° 11' 30" West, 270.00 feet to the centerline of Lodi Avenue; thence continue along the West line of Ham Lane, North 01° 05' 20" West, 91.14 feet; thence along the North line of Lot 17 of HUTCHINS HOMESTEAD ADDITION NO. 3 and its westerly project, North 89° 33' 37" East, 180.96 feet to the Northeast corner of said Lot 17; thence North 01° 12' 00" West, 10.00 feet; thence North 89° 33' 37" East, 115.96 feet; thence along the West line of Sunset Drive, South 01° 19' 00" East, 10.00 feet; thence North 89° 33' 37" East, 175.96 feet to the Northeast corner of Lot 51 of said subdivision last described; thence North 01° 26' 00" West, 9.21 feet; thence North 89° 33' 37" East, 115.96 feet; thence along the West line of Fairmont Avenue, South 01° 32' 00" West, 4.21 feet; thence North 89° 33' 37" East, 175.96 feet; thence South

01° 45' 00" East, 5.00 feet to the Northwest corner of Lot 86 of said subdivision last described; thence North 89° 33' 37" East, 115.96 feet to the Northeast corner of said Lot 86; thence along the West line of Orange Avenue, North 01° 45' 00" West, 24.85 feet; thence North 89° 33' 10" East, 187.60 feet; thence South 01° 45' 00" East, 25.00 feet; thence North 89° 33' 10" East, 127.60 feet; thence along the West line of Avena Avenue, South 01° 45' 00" East, 0.80 feet; thence North 89° 31' 30" East, 192.50 feet; thence North 01° 45' 00" West, 22.00 feet; thence North 89° 31' 30" East, 132.50 feet; thence along the West line of Cresent Avenue South 01° 45' 00" East, 24.80 feet; thence North 89° 31' 30" East, 380.20 feet; thence along the West line of Rose Avenue North 01° 45' 00" West, 60.00 feet; thence North 89° 31' 30" East, 230.10 feet; thence along the East line of an alley South 01° 45' 00" East, 56.70 feet; thence North 89° 31' 30" East, 150.10 feet; thence along the West line of California Street North 01° 45' 00" West, 56.70 feet; thence along the westerly projection of the South lines of Lots 14 and 6 of Block 8 of HUTCHINS HIGH SCHOOL ADDITION as filed in Volume 6 of Maps and Plats, page 27, San Joaquin County Records, North 89° 31' 30" East, 380.00 feet to the Southeast corner of said Lot 6; thence along the West line of Hutchins Street the following nine courses: (1) North 01° 19' 00" West, 50.00 feet, (2) South 89° 31' 30" West, 10.00 feet, (3) North 01° 19' 00" West, 50.00 feet, (4) North 89° 31' 30" East, 10.00 feet, (5) North 01° 19' 00" West, 50.00 feet, (6) South 89° 31' 30" West, 10.00 feet, (7) North 01° 19' 00" West, 220.00 feet to the North line of Walnut Street, (8) along the West line of Walnut Street, North 89° 31'

30" East, 10.00 feet, (9) North 01° 19' 00" West, 20.12 feet to the westerly extension of the North line of an alley; thence along the North line of the alley and its westerly projection the following five courses: (1) South 87° 09' 56" East, 160.03 feet, (2) South 02° 50' 04" West, 3.26 feet, (3) South 87° 09' 56" East, 50 feet, (4) South 02° 50' 04" West, 6.46 feet, (5) South 87° 09' 56" East, 520.0 feet to the West line of Pleasant Avenue; thence along the West line of Pleasant Avenue, North 03° 00' 04" East, 1050 feet to the South line of Pine Street; thence along the South line of Pine Street North 86° 59' 56" West 360 feet to the southerly projection of the West line of Lee Avenue; thence along the West line of Lee Avenue and its southerly projection North 03° 00' 04" East, 960 feet to the North line of Locust Street; thence along the North line of Locust Street, South 86° 59' 56" East, 360 feet to the West line of Pleasant Avenue; thence along the West line of Pleasant Avenue, North 03° 00' 04" East, 450.85 feet to the westerly projection of the North line of Lockeford Street; thence along the North line of Lockeford Street and its westerly projection South 86° 59' 56" East, 374.90 feet to an angle point; thence leaving the North line of Lockeford Street, South 80° 27' 13" East, 95.2 feet more or less to the Northeast corner of Church and Lockeford Streets; thence South 86° 59' 56" East, 297.5 feet to the Northwest corner of Lockeford and School Streets; thence along the West line of School Street and its northerly projection North 01° 33' 50" East, 322.64 feet to the North line of De Force Avenue; thence along the North line of De Force Avenue, North 88° 48' 10" East, 28.95 feet more or less to the West line of School Street; thence along the West line of School Street the following seven courses: (1) North 00° 27' 40" East, 111.98 feet, (2) South 89° 01' 06" East, 2.71 feet, (3) North 00° 04' East, 801.9 feet, (4) South 85° 34' 58" West, 20.13 feet, (5) North 00° 33' 35" East, 395.14 feet more or less to the North line of Forrest Avenue, (6) along the North line of Forrest Avenue, North 86° 12' East, 19.46 feet to the West line of School Street, (7) along the West line of School Street and its northerly projection North 00° 11' East, 427.54 feet to the North line of Louie Avenue; thence along the North line of Louie Avenue, North 89° 05' 30" East, 392.45 feet; thence along a curve to the left having a radius of 25 feet, a central angle of 88° 00' and an arc length of 38.40 feet; thence along the West line of Sacramento Street, North 01° 05' 30" East, 664.20 feet; thence North 02° 35' 32" West, 105.78 feet to the North line of Turner Road; thence along the North line of Turner Road the following ten courses: (1) North 82° 26' 47" East, 82.11 feet, (2) North 89° 26' 30" East, 8.00 feet, (3) South 82° 25' 42" East, 70.71 feet, (4) North 89° 26' 30" East, 130.45 feet, (5) North 03° 00' 04" East, 15.03 feet, (6) North 89° 26' 30" East, 100.20 feet, (7) North 03° 00' 04" East, 15.03 feet, (8) North 89° 26' 30" East, 246.04 feet, (9) South 78° 54' 30" East, 122.53 feet, (10) North 89° 26' 30" East, 242.59 feet; thence South 0° 33' 30" East, 40.00 feet to the centerline of Turner Road; thence along the East line of Stockton Street as delineated on that Map of "COLONY RANCH" as filed in Volume 24 of Maps and Plats at page 50, San Joaquin County Records and its northerly projection South 03° 10' 40" West, 694.37 feet; thence along a curve to the left having a radius of 20 feet, a central angle of 93° 53' and an arc length of 32.77 feet; thence along the North line of Donner Avenue and its easterly projection North 89° 17' 40" East, 841.11 feet to the East line of Calaveras Street; thence along the East line of Calaveras Street, South 00° 42' 20" East, 412.49 feet; thence along a curve to the left having a radius of 20 feet, a central angle of 90° and an arc length of 31.42 feet; thence along the North line of Pioneer Drive, North 89° 17' 40" East, 66.79 feet to the Southwest corner of Lot 11 of "LAWRENCE RANCH SUBDIVISION, UNIT NO. 1" as filed in Volume 13 of Maps and Plats, page 143, San Joaquin County Records; thence along the West line of said subdivision last described the following four courses: (1) South 40° 23' 40" West, 79.64 feet, (2) South 00° 42' 20" East, 104.04 feet, (3) South 82° 45' 10" West, 52.31 feet, (4) South 00° 59' 20" East, 358.00 feet to the Northwest corner of Lot 20; thence along the southwesterly line of said Lot 20, South 61° 36' 20" East, 57.38 feet; thence along the West lines of Lots 20 through 24 inclusive, South 00° 59' 20" East, 276.44 feet; thence South 22° 57' 20" East, 53.45 feet to the Southwest corner of Lot 25; thence along the South lines of Lots 25 through 38 inclusive, North 89° 17' 40" East, 818.60 feet to the Southeast corner of Lot 38; thence North 00° 42' 20" West, 840.0 feet to the Northeast corner of Lot 116; thence along the South line of Pioneer Drive, North 89° 17' 40" East, 366.3 feet to the West line of Cherokee Lane; thence North 75° 58' 31" East, 510.71 feet to a point on the East line of Beckman Road, said point also being a point on a curve from which the radial bears South 86° 04' 31" East; thence along the East line of Beckman Road the following ten courses: (1) southeasterly along a curve to the left having a radius of 770.0 feet, a central angle of 24° 29' 47", an arc length of 329.21 feet and a chord bearing South 08° 19' 24" East, 325.86 feet, (2) South 20° 34' 18" East, 360.71 feet, (3) along a curve to the left having a radius of 1970 feet, a central angle of 06° 01' 42" and an arc length of 207.27 feet, (4) South 26° 36' 00" East, 138.05 feet, (5) South 25° 44' 07" East, 131.90 feet, (6) South 26° 36' East, 38.33 feet, (7) along a curve to the left having a radius of 372 feet, a central angle of 28° 58' 30" and an arc length of 188.12 feet, (8) South 55° 34' 30" East, 157.89 feet, (9) along a curve to the right having a radius of 178 feet, a central angle of 55° 07' 30" and an arc length of 171.26 feet, (10) South 00° 27' 00" East, 119.60 feet; thence South 43° 45' 12" East, 36.35 feet to the North line of Lockeford Street; thence along the North line of Lockeford Street, South 87° 00' East, 1272.54 feet to the northerly projection of the East line of Cluff Avenue; thence along the East line of Cluff Avenue and its northerly projection the following five courses: (1) South 01° 09' 46" East, 331.92 feet, (2) South 89° 48' 44" West, 2.0 feet, (3) South 01° 09' 46" East, 128.89 feet, (4) North 89° 48' 44" East, 2.0 feet, South 01° 09' 46" East, 354.67 feet to the South line of Mounce Street; thence along the South line of Mounce Street, North 89° 48' 44" East, 289.19 feet to the northerly projection of the West line of Parcel "A" as delineated on that map filed in Book 7 of Parcel Maps, page 13, San Joaquin County Records; thence South 01° 09' 46" East, 712.42 feet to the intersection of the southerly projection of the West line of said Parcel "A" and the South line of Pine Street; thence along the South line of Pine Street, North

89° 53' 16" West, 321.23 feet to the centerline of Cluff Avenue; thence continuing along the South line of Pine Street, South 89° 31' 32" West, 673.61 feet to a point of non-tangential curvature; thence along a curve to the left having a radius of 30 feet; a central angle of 90° 31' 32", an arc length of 47.40 feet and a chord that bears South 49° 10' 52" West, 42.62 feet to the most southerly corner of that property conveyed to the City of Lodi by deed recorded in Book 3792 of Official Records, page 312, San Joaquin County Records and the East line of Kelley Street; thence along the East line of Kelley Street and its southerly projection, South 01° 09' 47" East, 1200.42 feet to the South line of the Central California Traction Company Right of Way; thence along the South line of said Right of Way, North 87° 16' West, 856.95 feet to the West line of State Highway Route No. 99; thence along the West line of Highway 99 the following four courses: (1) South 00° 49' 00" East, 29.94 feet, (2) South 03° 51' 12" East, 600.66 feet (3) South 00° 48' East, 3032.54 feet, (4) South 01° 10' 10" East, 261.88 feet to the North line of the South half of the Southwest quarter of Section 7, Township 3 North, Range 6 East, Mount Diablo Base and Meridian; thence North 87° 40' 50" West, 138.24 feet; thence South 0° 35' 30" East, 10.0 feet; thence South 47° 19' 10" West, 38.20 feet; thence North 87° 40' 50" West, 266.09 feet; thence North 42° 40' 50" West, 38.20 feet; thence North 0° 35' 30" West, 10.0 feet; thence along the said North line last described, North 87° 40' 50" West, 252.96 feet to the East line of Cherokee Lane; thence South 61° 45' 43" West, 192.91 feet more or less to the intersection of the South line of Poplar Street and the West line of Cherokee Lane; thence along the South line of Poplar Street the following three courses: (1) South 85° 47' 10" West, 617.50 feet, (2) South 00° 36' 30" East, 10.0 feet, (3) South 85° 47' 10" West, 620.30 feet to the East line of Central Avenue; thence along the East line of Central Avenue South 00° 36' 35" East, 1160.74 feet to the North line of State Highway Route No. 12; thence South 00° 37' 30" East, 110.14 feet; thence along the South line of said Highway 12 the following five courses: (1) South 86° 29' West, 44.05 feet, (2) along a curve to the left having a radius of 3945 feet, a central angle of 4° 05' 08" and an arc length of 281.30 feet to a point of reverse curvature, (3) along a curve to the right having a radius of 5892.19 feet, a central angle of 4° 05' 08" and an arc length of 420.15 feet, (4) South 89° 29' West, 592.36 feet, (5) South 74° 33' 28" West, 71.79 feet to the TRUE POINT OF BEGINNING.

Containing 1,184 acres more or less.



SOURCE: Seifel Consulting, Inc.; John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE 1-1: REDEVELOPMENT PROJECT AREA

Appendix C:
Building Conditions by Survey Areas and Subareas

Appendix C

Lodi Redevelopment Project
Redevelopment Plan Adoption

BUILDING CONDITIONS RATINGS BY SURVEY AREAS AND SUBAREAS

January 2002

Prepared by
John B. Dykstra & Associates
for
Seifel Consultants Inc.
and the
City of Lodi

INTRODUCTION

The Building Conditions Survey

A comprehensive Building Conditions Survey was conducted to evaluate the general condition of buildings in the proposed Redevelopment Project.[1] During this survey a total of 3,382 buildings were rated on a scale of 1 (worst condition) to 5 (best condition). This appendix provides detailed information on the distribution of building conditions ratings throughout the proposed Project Area.

The tables and maps presented in this appendix summarize conditions in effect at the time of the Building Conditions Survey which was conducted in March and April 2000 and updated in September 2001.

Standards

The general standards and criteria used in assessing the physical condition of buildings are summarized in Table C-1, Building Conditions Assessment, presented on the following page.

DEFINITION OF SURVEY AREAS AND SUBAREAS

A total of eight survey areas have been defined to facilitate the assembly and analysis of data and the presentation of the results of Building Conditions Survey. In defining the areas, consideration was given to land uses, age and quality of development, and the presence of logical boundaries (such as streets). In turn, to provide even greater detail on the distribution of blighting conditions in the proposed Project Area, these survey areas were then divided into a total of 51 subareas.

The boundaries of the survey areas are shown on Figure C-1, Building Conditions Survey Areas

RESULTS OF THE BUILDING CONDITIONS SURVEY

The results of the Building Conditions Survey are summarized in Figure C-2, Average Building Conditions Ratings by Survey Areas. In addition, more detail is provided for each of the eight survey areas as follows:

- A map showing the boundaries of each survey area and the subareas that make up the survey area.
- A table showing average building conditions ratings for the survey area and the subareas that make up the survey area.

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[1] For more detail on the Building Conditions Survey, reference should be made to Section II of the Preliminary Report.

Table C-1
Building Conditions Assessment

STANDARDS USED IN ASSESSING BUILDING CONDITIONS	
Specific Standard:	The provisions of the California Community Redevelopment Law pertaining to blight
General Standard:	The relative cost of correcting building deficiencies, code compliance problems, and seismic safety problems to a degree sufficient to ensure a relatively long-term physical and economic life (i.e., 20-40 years)

Building Condition Rating	General Condition	Likely Cost of Correcting Deficiencies[6]	Potential for Private Economic Rehabilitation[7]
1	Very extensive physical/structural deficiencies (often dilapidated)[1]	Very high	Very difficult, if not impossible
2	Extensive physical/structural deficiencies[2]	High	Difficult
3	General good condition, some deficiencies present[3]	Significant	Possible
4	Relatively few deficiencies present[4]	Low to moderate	Relatively easy
5	General excellent condition[5]	Minor to low	None required

1. Typical conditions present include Major Adverse Physical Conditions or a significant combination of Other Adverse Physical Conditions.
2. Typical conditions present include a number of Other Adverse Physical Conditions or significant cumulative deferred maintenance.
3. Typically some Other Adverse Physical Conditions are present.
4. Typically few Other Adverse Physical Conditions are present.
5. Typically no Other Adverse Physical Conditions are present.
6. To the "General Standard" set forth above.
7. Without redevelopment assistance.

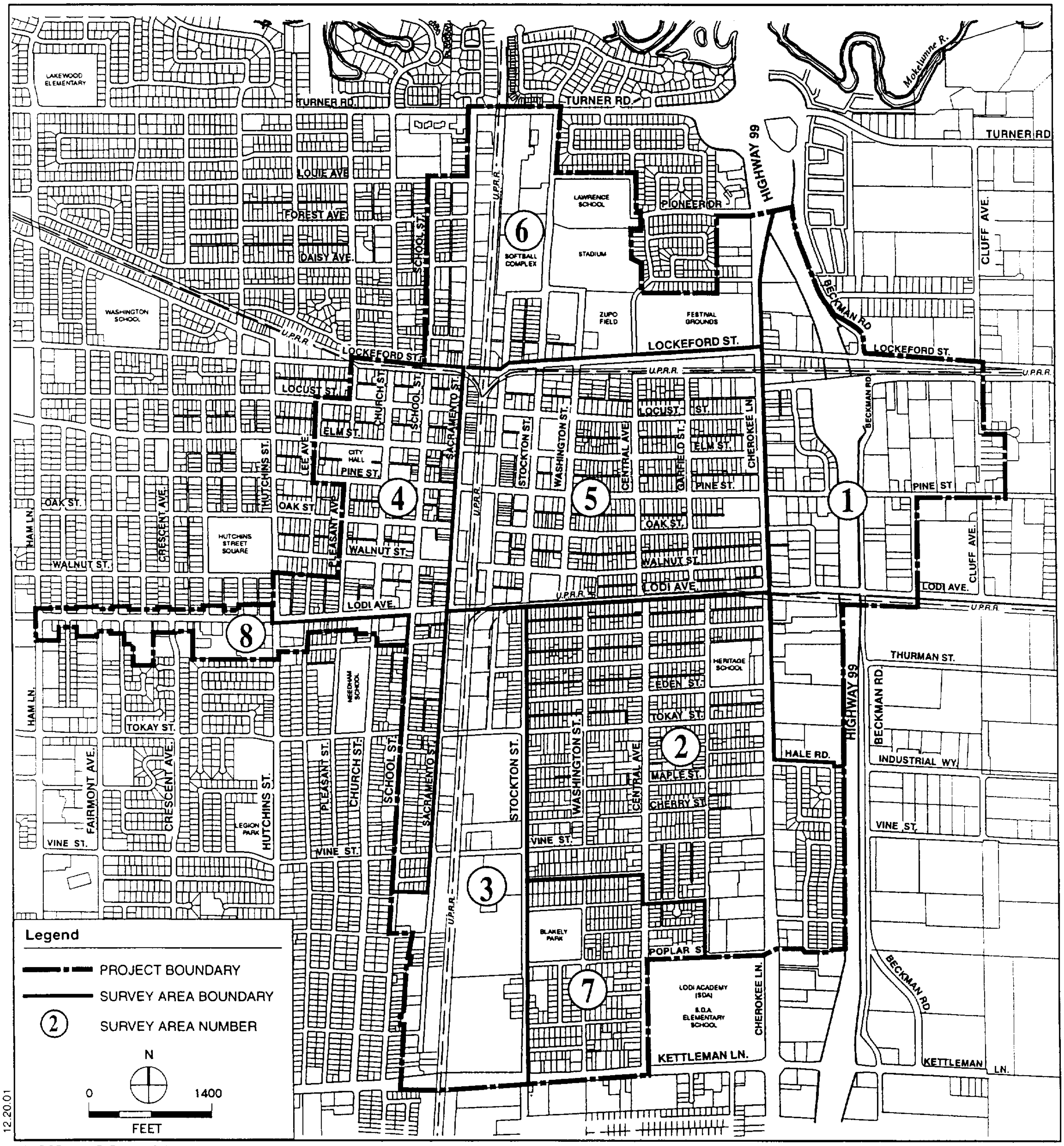
ADVERSE PHYSICAL CONDITIONS CONSIDERED IN ASSESSING BUILDING CONDITIONS

Major Adverse Physical Conditions

- General dilapidation (very serious deterioration of entire structure or major parts thereof)
- Apparent abandonment (vandalized or boarded up buildings)
- Structural failure (cracking or subsided foundations, sagging walls or roofs, etc.)
- Structural weakness (buildings without adequate foundations, substandard construction, unreinforced masonry walls, etc.)

Other Adverse Physical Conditions

- Potential seismic weakness
- Deferred maintenance and neglect
- Broken windows
- Peeling or faded paint
- Sagging porches
- Dry rot in walls, window frames, door frames, doors, roof rafters, and trim
- Deteriorated, damaged, poorly repaired, or excessive layers of roofing materials
- Cracks or loose bricks in chimneys
- Deteriorated, broken, or loose siding materials
- Deteriorated or broken stucco walls
- Rusted, deteriorated, or missing roof drainage gutters or down spouts
- Faulty wiring or plumbing
- Old and possibly substandard and hazardous electrical service
- Eroded mortar or loose bricks in masonry walls
- Informal or substandard construction

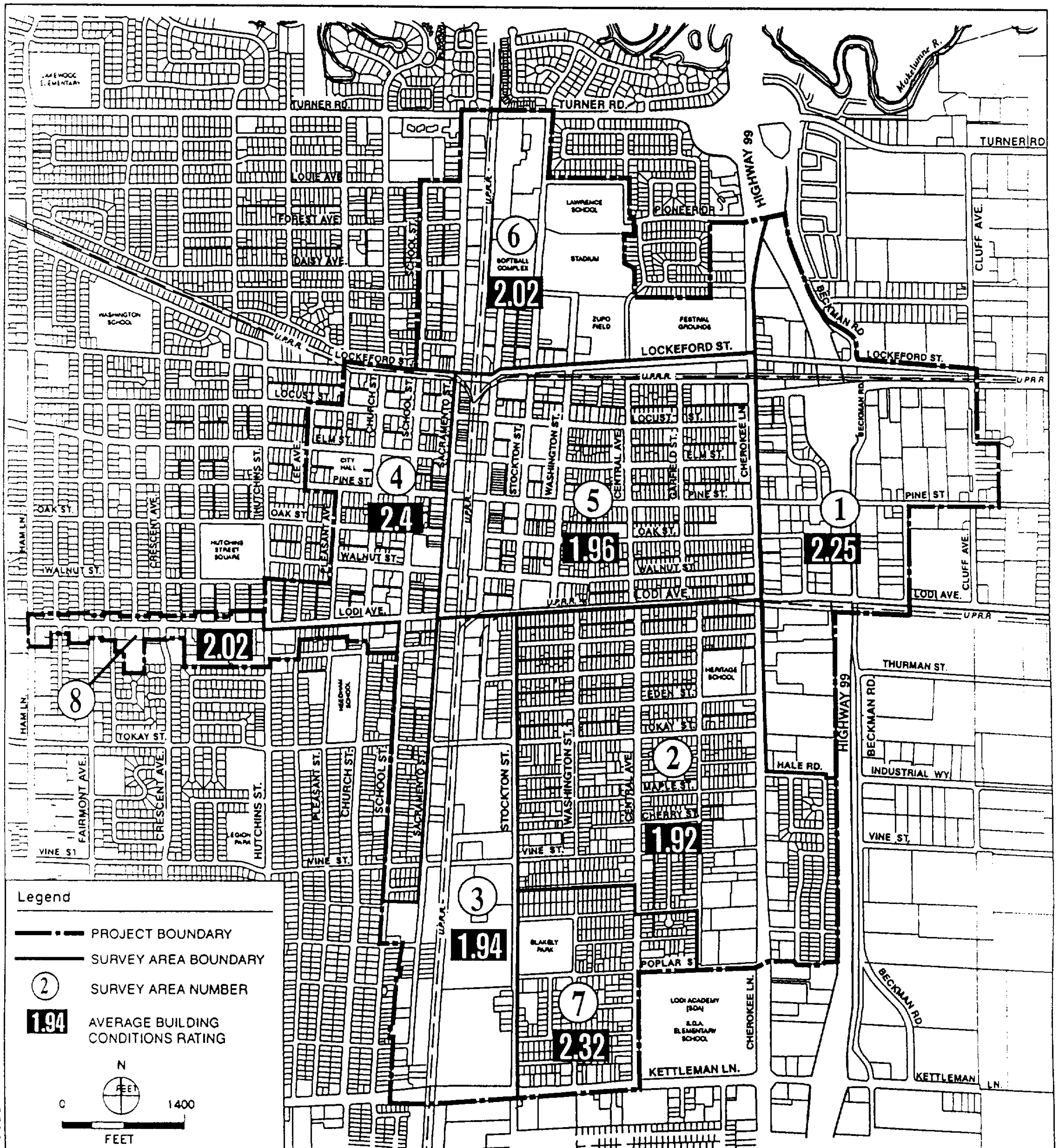


SOURCE: John B. Dykstra & Associates

Figure C-1

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

BUILDING CONDITIONS SURVEY AREAS



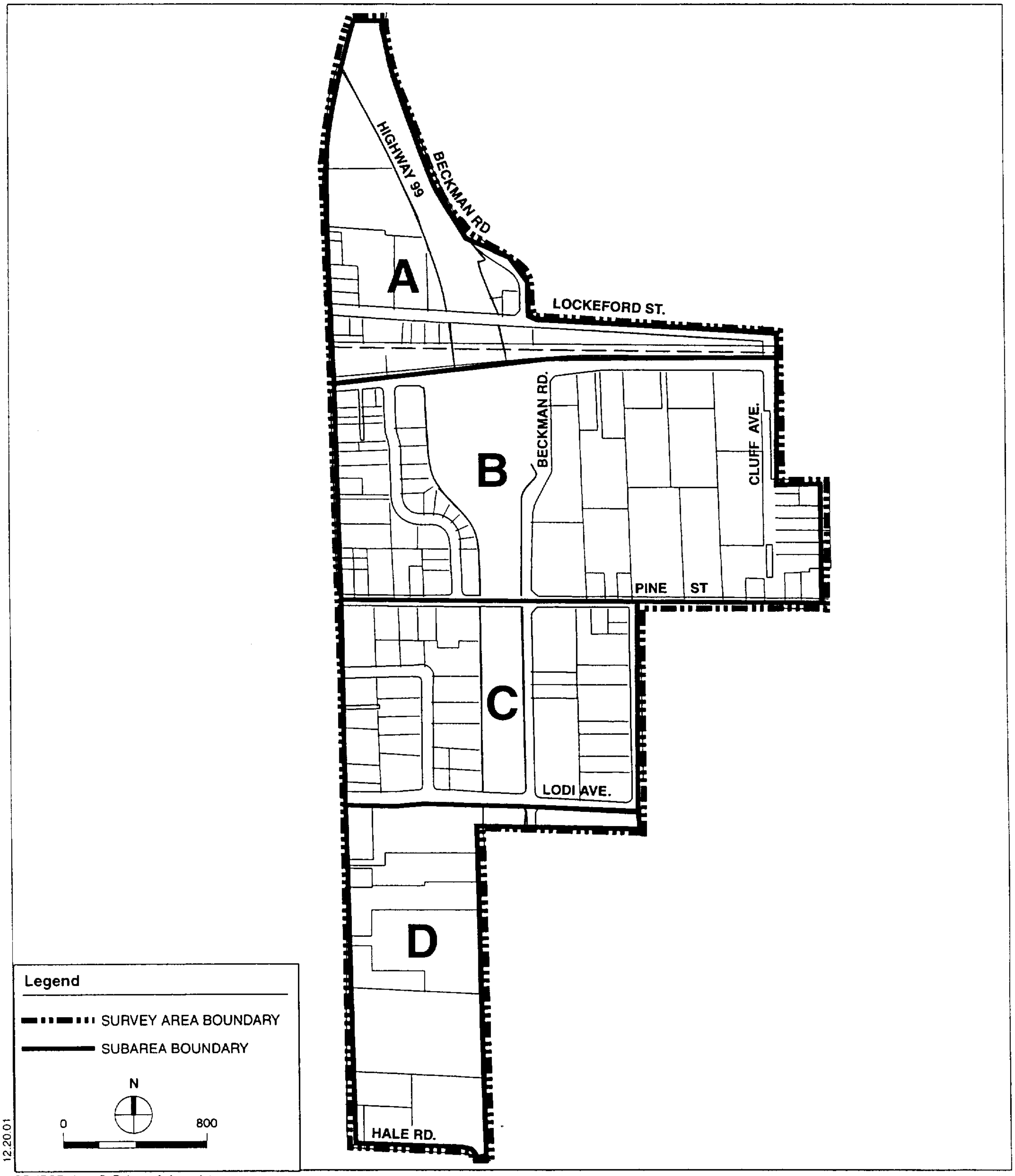
SOURCE: John B. Dykstra & Associates

Figure C-2

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

AVERAGE BUILDING CONDITIONS RATINGS BY SURVEY AREA

Survey Area 1



SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

BUILDING CONDITIONS SURVEY AREA 1, SUBAREA LOCATION MAP

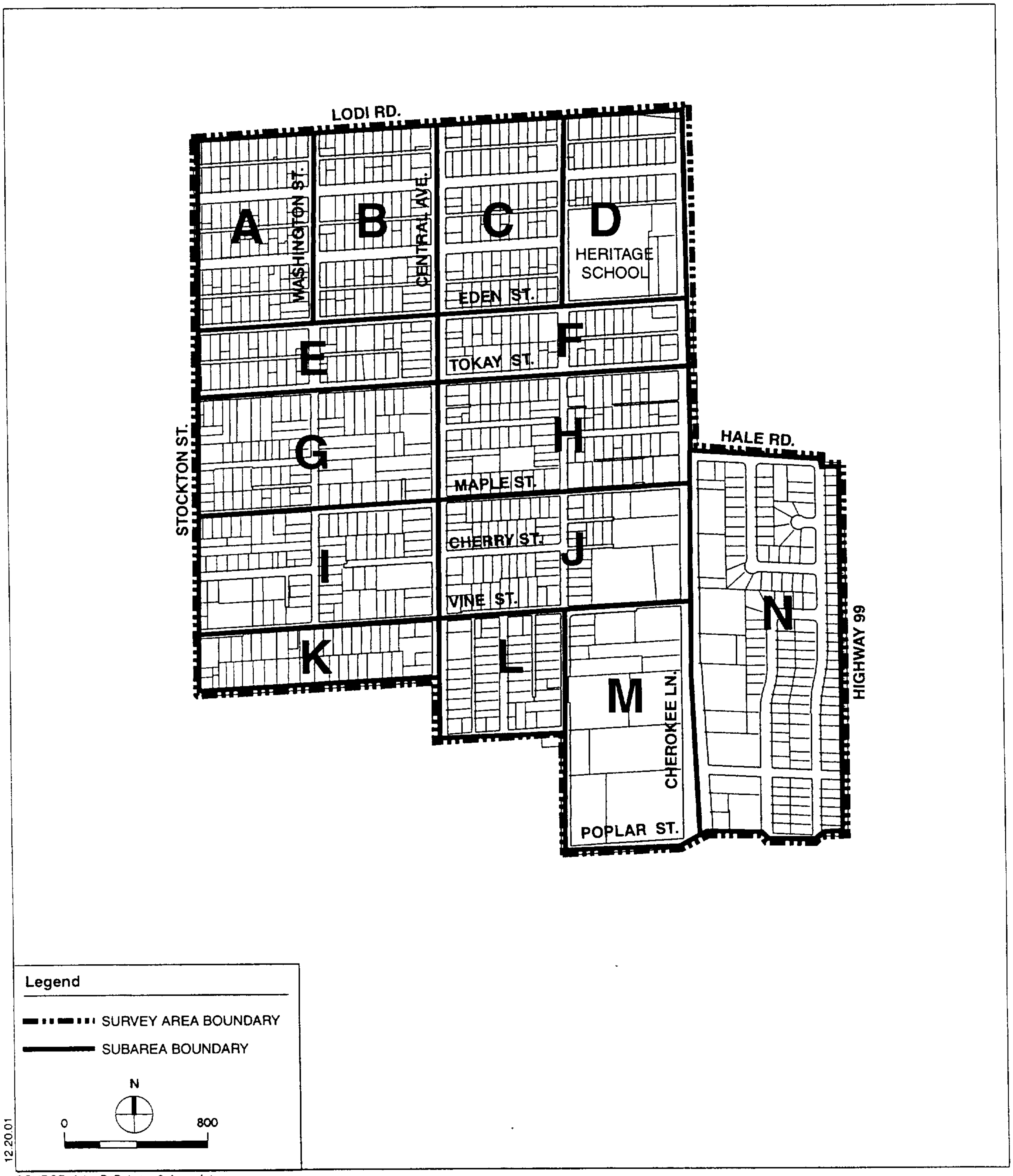
Lodi Redevelopment Project

BUILDING CONDITION SURVEY

SURVEY AREA 1

Subarea	Building Conditions Ratings					Average Rating
	1	2	3	4	5	
A	10	12	16	2	0	2.25
B	24	38	22	7	0	1.57
C	11	22	18	1	0	2.17
D	0	7	10	4	1	2.95
Totals	45	79	66	14	1	2.25

Survey Area 2



SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

BUILDING CONDITIONS SURVEY AREA 2, SUBAREA LOCATION MAP

Lodi Redevelopment Project

BUILDING CONDITIONS SURVEY

SURVEY AREA 2

Subarea	Building Conditions Ratings					Average Rating
	1	2	3	4	5	
A	41	52	19	0	1	1.83
B	27	54	21	3	0	2.00
C	53	41	17	2	0	1.72
D	23	24	10	4	0	1.92
E	30	30	10	0	0	1.71
F	21	30	6	0	0	1.74
G	40	52	29	0	0	1.91
H	50	49	14	0	0	1.68
I	24	54	20	2	0	2.00
J	35	44	13	0	0	1.76
K	10	36	9	0	0	1.98
L	18	30	8	2	0	1.90
M	6	17	23	0	0	2.37
N	16	83	64	1	0	2.30
Totals	394	596	263	14	1	1.92

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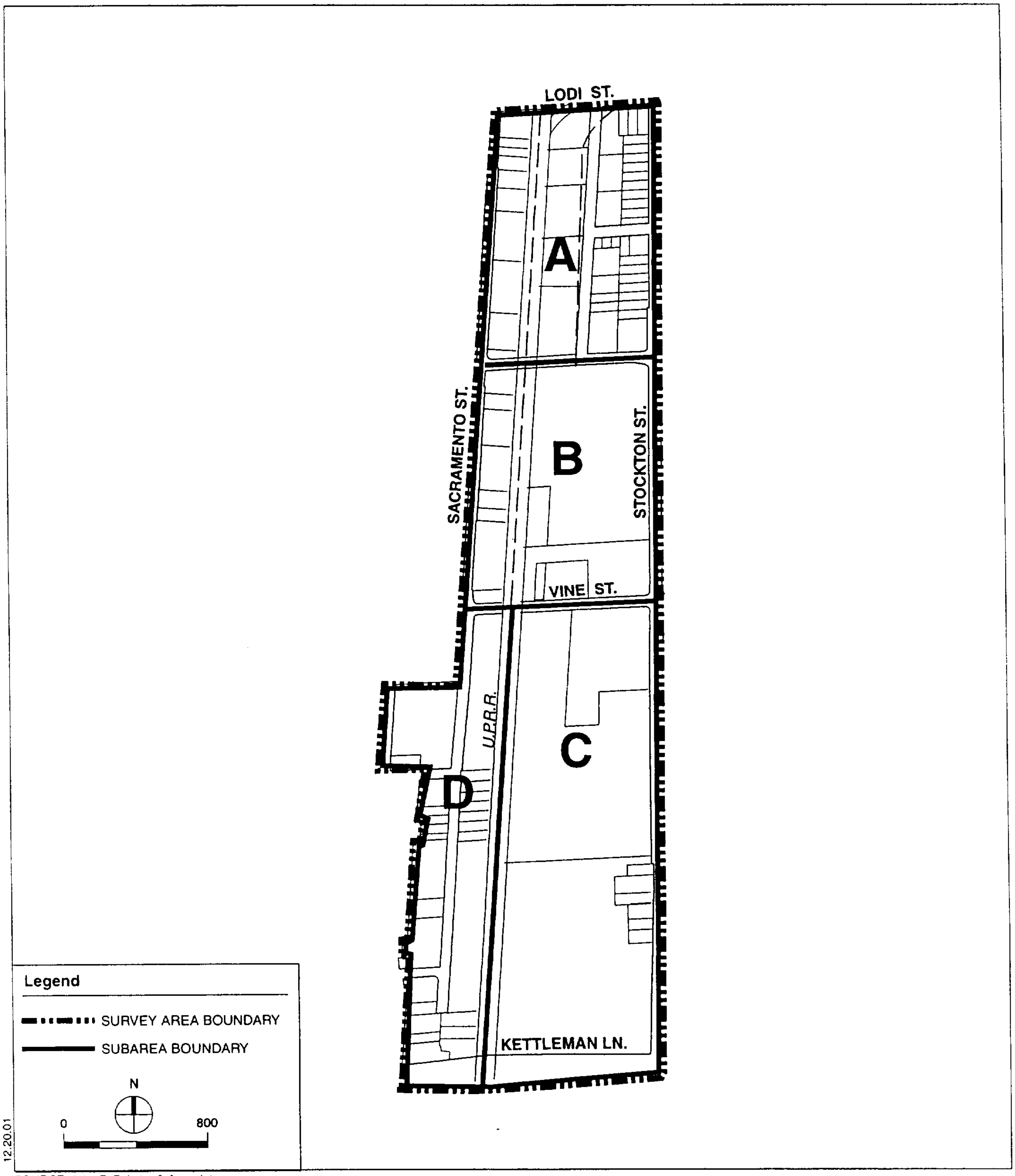
Survey Area 3



SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

BUILDING CONDITIONS SURVEY AREA 3, SUBAREA LOCATION MAP

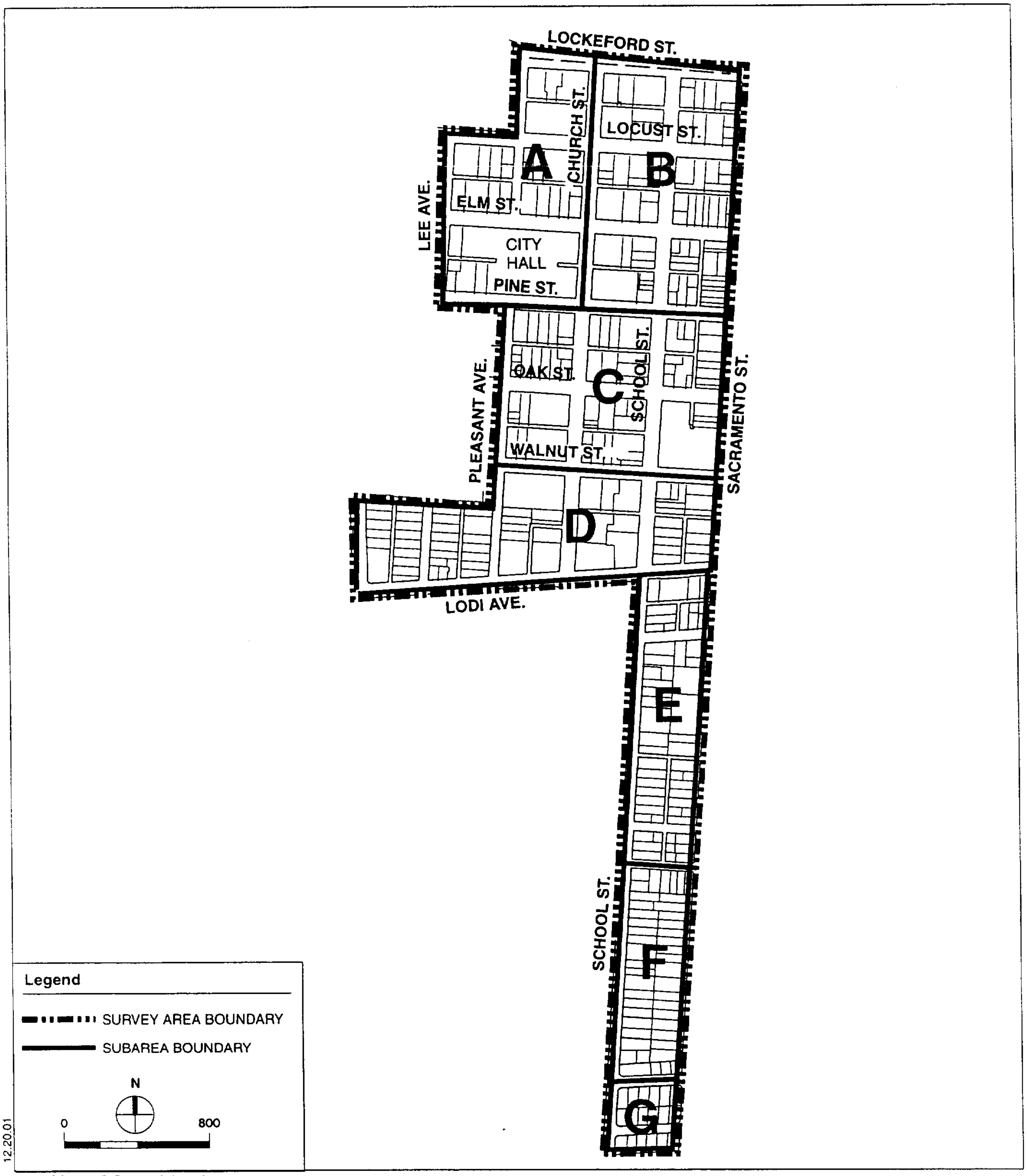
Lodi Redevelopment Project

BUILDING CONDITIONS SURVEY

SURVEY AREA 3

Subarea	Building Conditions Rating 1	2	3	4	5	Average Rating
A	3	10	3	0	0	2.00
B	11	8	1	0	0	1.50
C	6	11	4	0	0	1.90
D	22	25	26	0	0	2.05
Totals	42	54	34	0	0	1.94

Survey Area 4



SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

BUILDING CONDITIONS SURVEY AREA 4, SUBAREA LOCATION MAP

Lodi Redevelopment Project

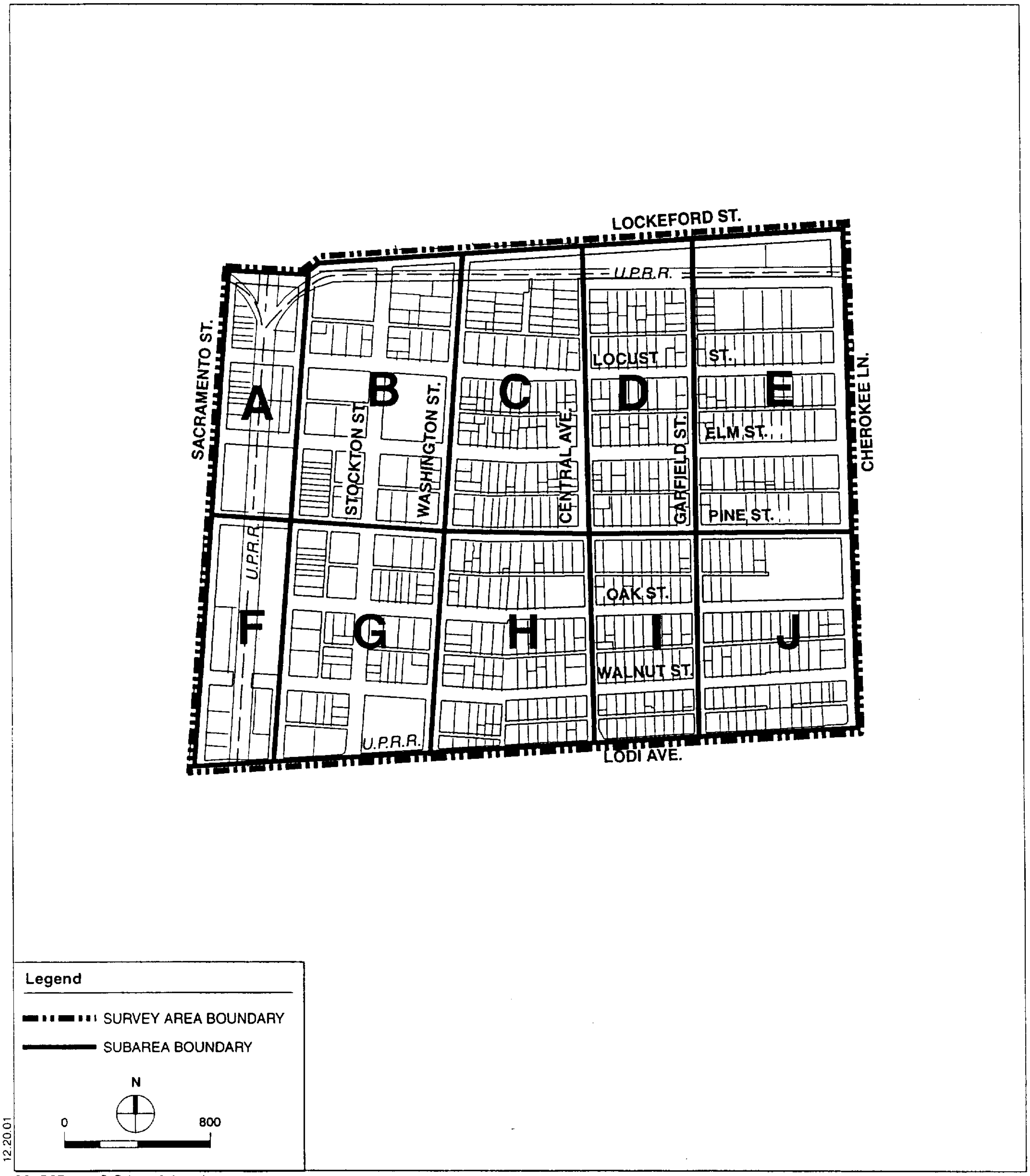
BUILDING CONDITIONS SURVEY

SURVEY AREA 4

Subarea	Building Conditions Ratings					Average Rating
	1	2	3	4	5	
A	3	19	11	11	2	2.78
B	31	23	26	0	2	2.01
C	13	25	21	8	1	2.40
D	5	25	29	10	1	2.67
E	15	28	14	1	0	2.02
F	22	21	17	1	0	1.95
G	4	7	5	0	0	2.06
Totals	93	148	123	31	6	2.40

c:\myfiles\lodi\bcsurveyarea4R.wpd

Survey Area 5



SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

BUILDING CONDITIONS SURVEY AREA 5, SUBAREA LOCATION MAP

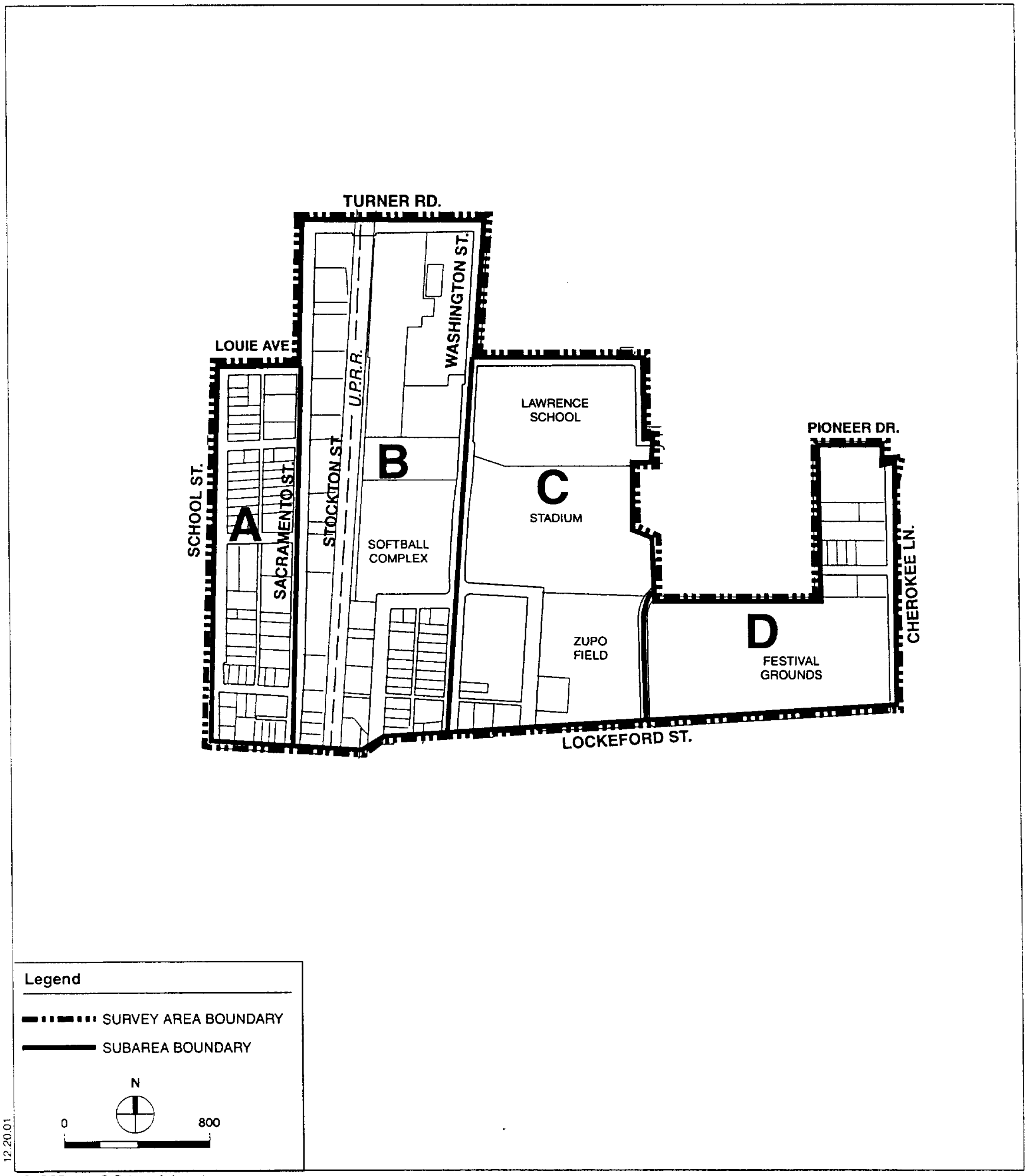
Lodi Redevelopment Project

BUILDING CONDITIONS SURVEY

SURVEY AREA 5

Subarea	Building Conditions Ratings 1	2	3	4	5	Average Rating
A	7	16	0	0	0	1.70
B	34	25	8	3	0	1.71
C	40	72	11	0	0	1.76
D	38	46	16	2	0	1.82
E	37	62	12	1	0	1.79
F	1	4	4	0	4	3.15
G	19	34	14	3	0	2.01
H	32	58	21	2	2	2.27
I	39	51	5	0	0	1.64
J	20	50	17	1	0	1.99
Totals	267	421	107	12	6	1.98

Survey Area 6



SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

BUILDING CONDITIONS SURVEY AREA 6, SUBAREA LOCATION MAP

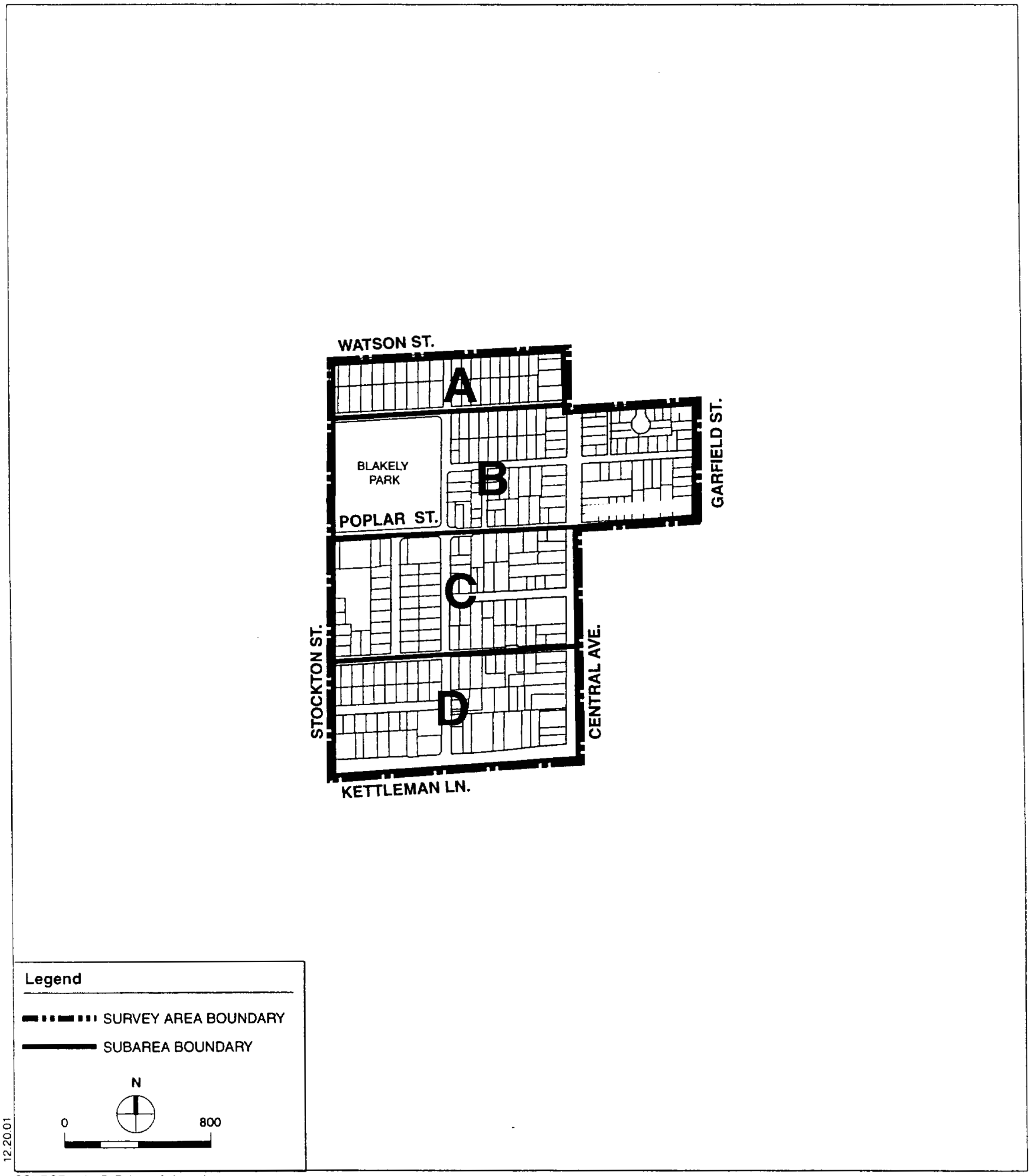
Lodi Redevelopment Project

BUILDING CONDITIONS SURVEY

SURVEY AREA 6

Subarea	Building Conditions Ratings 1	2	3	4	5	Average Rating
A	20	41	21	1	1	2.05
B	25	36	7	0	1	1.78
C	4	6	5	1	0	2.19
D	7	8	8	0	0	2.04
Totals	56	91	41	2	1	2.02

Survey Area 7



SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

BUILDING CONDITIONS SURVEY AREA 7, SUBAREA LOCATION MAP

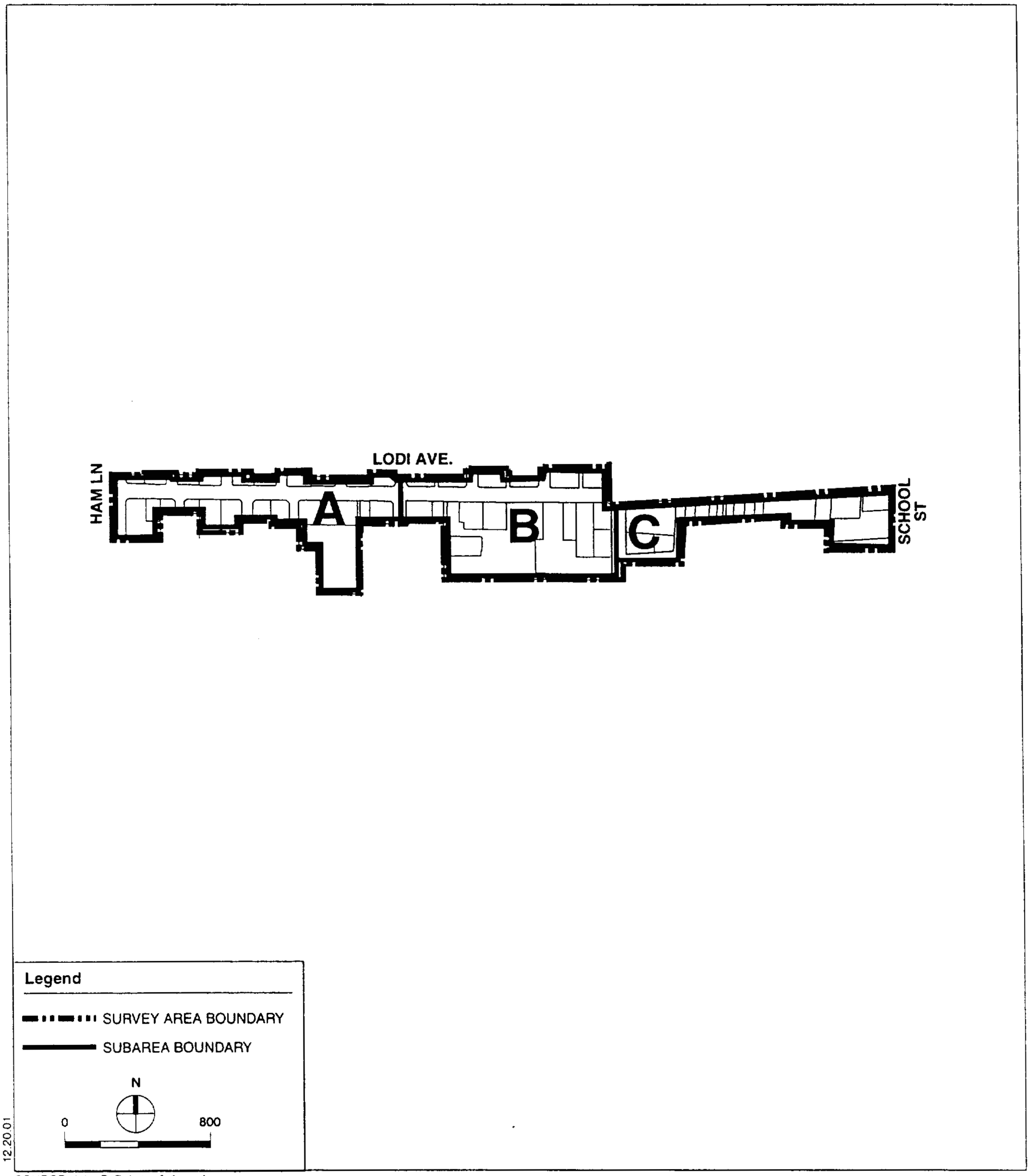
Lodi Redevelopment Project

BUILDING CONDITIONS SURVEY

SURVEY AREA 7

Subarea	Building Conditions Ratings 1	2	3	4	5	Average Rating
A	3	21	18	2	0	2.43
B	18	30	9	3	0	1.95
C	19	48	24	3	2	2.18
D	13	34	18	8	0	2.29
E	13	19	8	15	1	2.73
Totals	66	152	77	31	2	2.32

Survey Area 8



SOURCE: John B. Dykstra & Associates

CITY OF LODI REDEVELOPMENT PLAN ADOPTION

BUILDING CONDITIONS SURVEY AREA 8, SUBAREA LOCATION MAP

Lodi Redevelopment Project

BUILDING CONDITIONS SURVEY

SURVEY AREA 8

Subarea	Building Conditions Ratings 1	2	3	4	5	Average Rating
A	6	19	8	1	0	2.12
B	1	10	4	0	1	1.75
C	4	8	2	1	1	2.19
Totals	11	37	14	2	2	2.02

Appendix D:

Photographic Documentation of Existing Conditions

Appendix D

Lodi Redevelopment Project

PHOTOGRAPHIC DOCUMENTATION

January 2002

Prepared by
John B. Dykstra & Associates
for
Seifel Consultants Inc.
and the
Lodi Redevelopment Agency

INTRODUCTION

This appendix provides photographs that illustrate existing conditions within the boundaries of the proposed Lodi Redevelopment Project. It is an important part of both this Preliminary Report and the forthcoming Report to Council.

The photographs were taken in January 2002 and are representative of conditions in effect at that time.

CONDITIONS ILLUSTRATED IN THE PHOTOGRAPHS

The photographs presented in this appendix illustrate a wide variety of conditions present in the area. Although many of the photographs document adverse conditions that may be used to support a finding that the area is blighted and in need of redevelopment, other photographs illustrate conditions (such as historically interesting buildings or residences in need of attention) that could benefit from the use of redevelopment resources (seismic retrofitting and rehabilitation loans and grants, for example).

Conditions illustrated in photographs include, but are not limited to:

1. **Historically and Architecturally Interesting Commercial Buildings.** Nearly all of these buildings, many of which are worthy of enhancement and preservation, are located in Lodi's downtown core. Many are of brick, unreinforced masonry construction. Some have been sensitively restored or rehabilitated. However, many others are badly deteriorated or dilapidated. Deficiencies shown in the photographs include deteriorated walls, peeling paint, dry rot, and soft mortar and brick erosion. In some cases serious structural problems are indicated by cracked, damaged, or failing load bearing brick or concrete walls. Buildings with serious structural problems are considered to be unsafe and hazardous for human occupancy.

2. **Historically and Architecturally Interesting Residential Buildings.** These include Victorian and post Victorian residences scattered throughout the eastern part of the proposed Project Area. A number of these residences have been properly restored or rehabilitated. However, as the photographs clearly illustrate, many homes are badly deteriorated or dilapidated. In many cases these homes may be considered to be unsafe or unhealthy for occupancy.

3. **Deteriorated or Dilapidated Buildings.** These include both commercial and residential structures. Many show evidence of general neglect and cumulative deferred maintenance. Some of these buildings exhibit surface deterioration that may be relatively easy to correct, with appropriate economic assistance. In other buildings deterioration is more extensive. A number are dilapidated. In general, dilapidated buildings are considered to be unsafe or

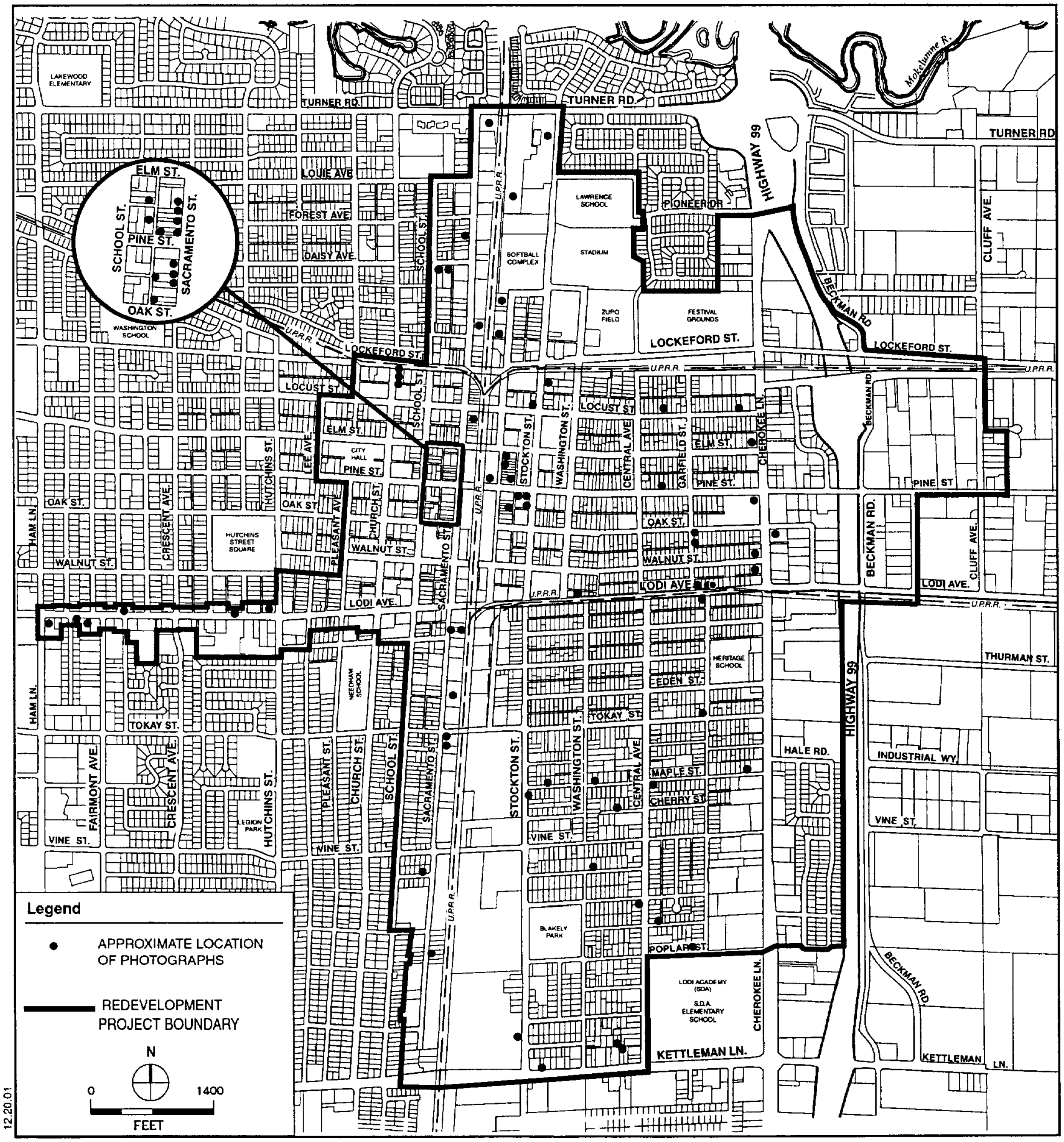
unhealthy for human occupancy. However, interior inspections may be necessary to confirm the extent of dilapidation.

4. **Abandoned Buildings.** There are also a relatively large number of abandoned, apparently abandoned, or boarded up buildings in the area. These buildings are very likely to be unsafe or unhealthy for human occupancy. However, interior inspections may be necessary to confirm the extent of deterioration or dilapidation.

5. **Buildings Under Rehabilitation.** Some of these buildings are badly deteriorated. Other buildings need only minor attention. In a number of cases rehabilitation seems to have been going on for many years, indicating that appropriate economic assistance may be necessary to achieve completion.

ORGANIZATION

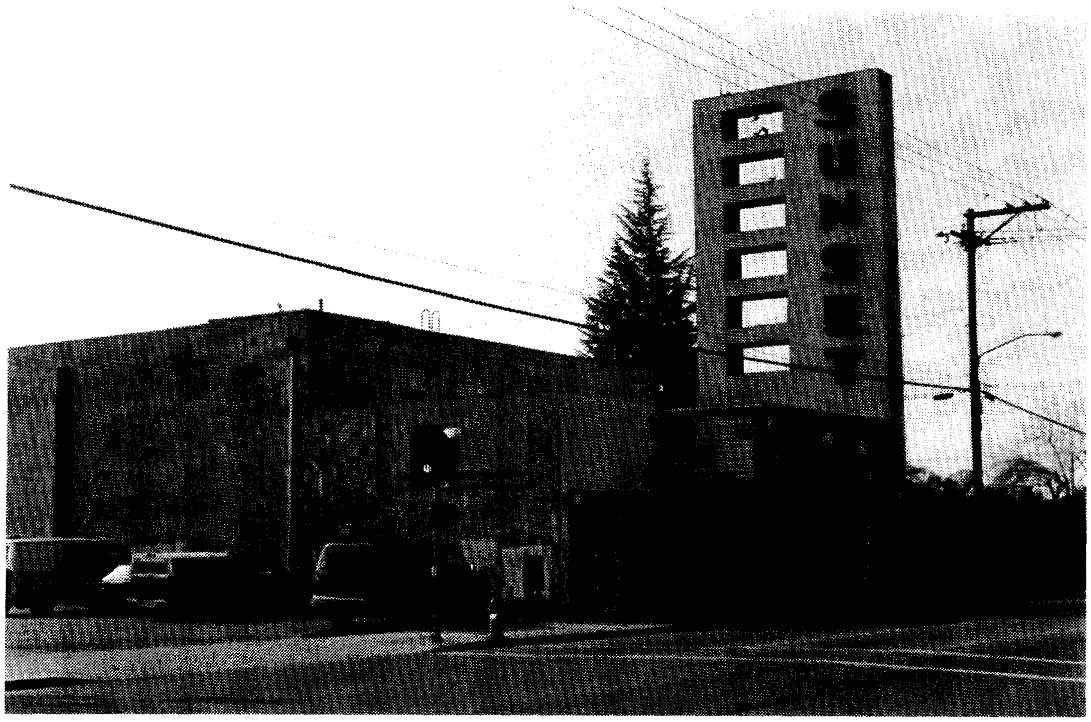
A map showing the approximate location of the photographs is presented on the following page as Figure D-1, Photograph Location Map. The photographs themselves are presented on pages 1 through 44.



SOURCE: John B. Dykstra & Associates

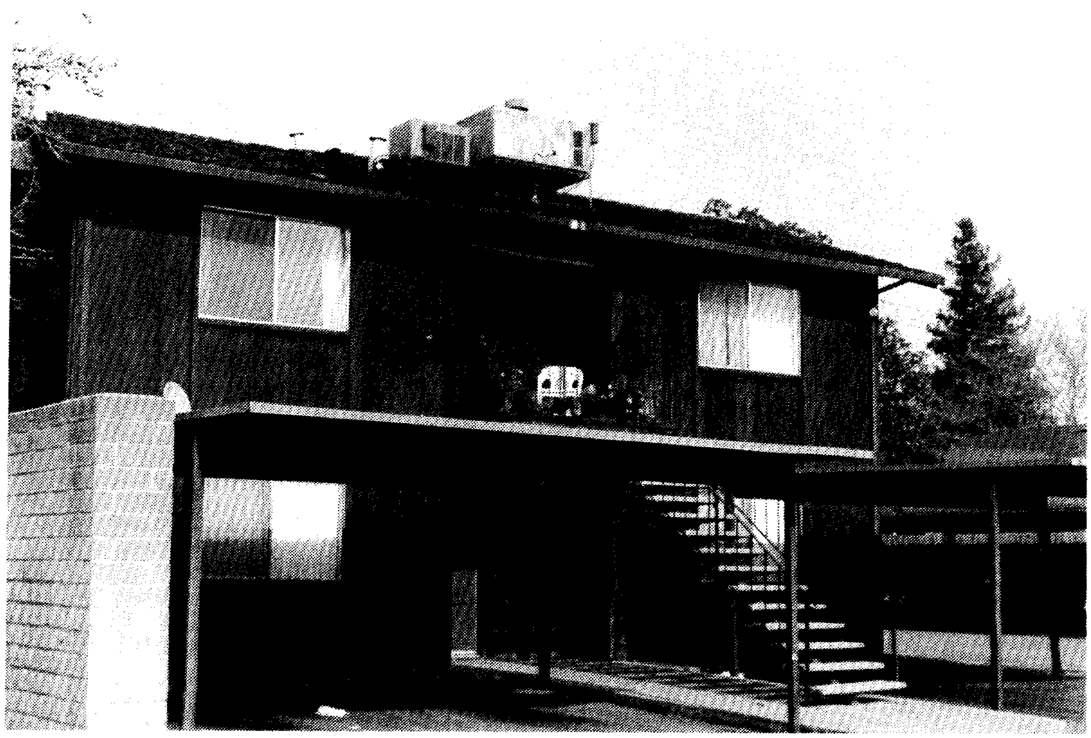
CITY OF LODI REDEVELOPMENT PLAN ADOPTION

FIGURE D-1: PHOTOGRAPH LOCATION MAP

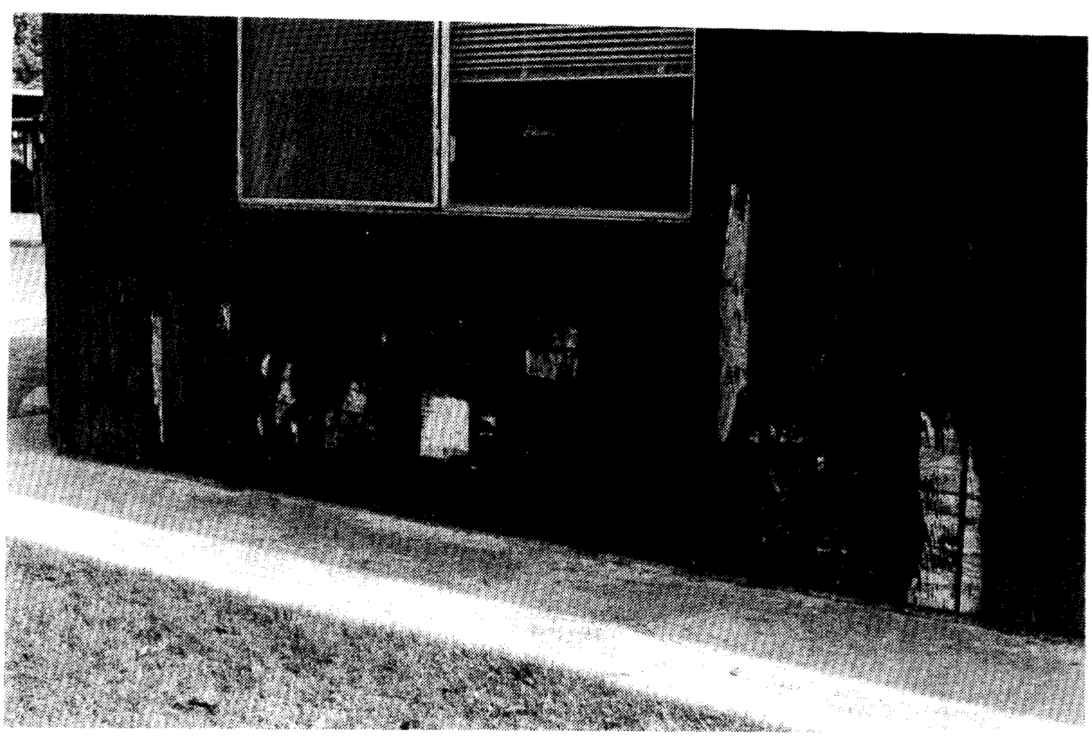


Vacant, deteriorated movie theater, West Lodi Avenue

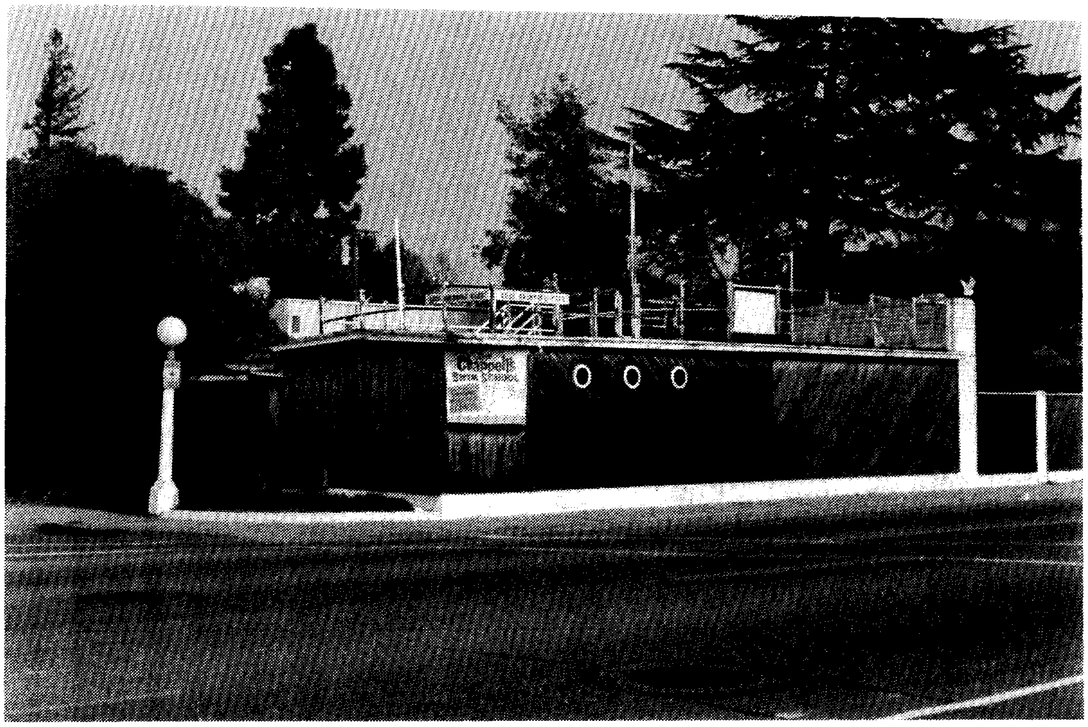
Residence, surface deterioration, South Sunset Drive at West Lodi Avenue



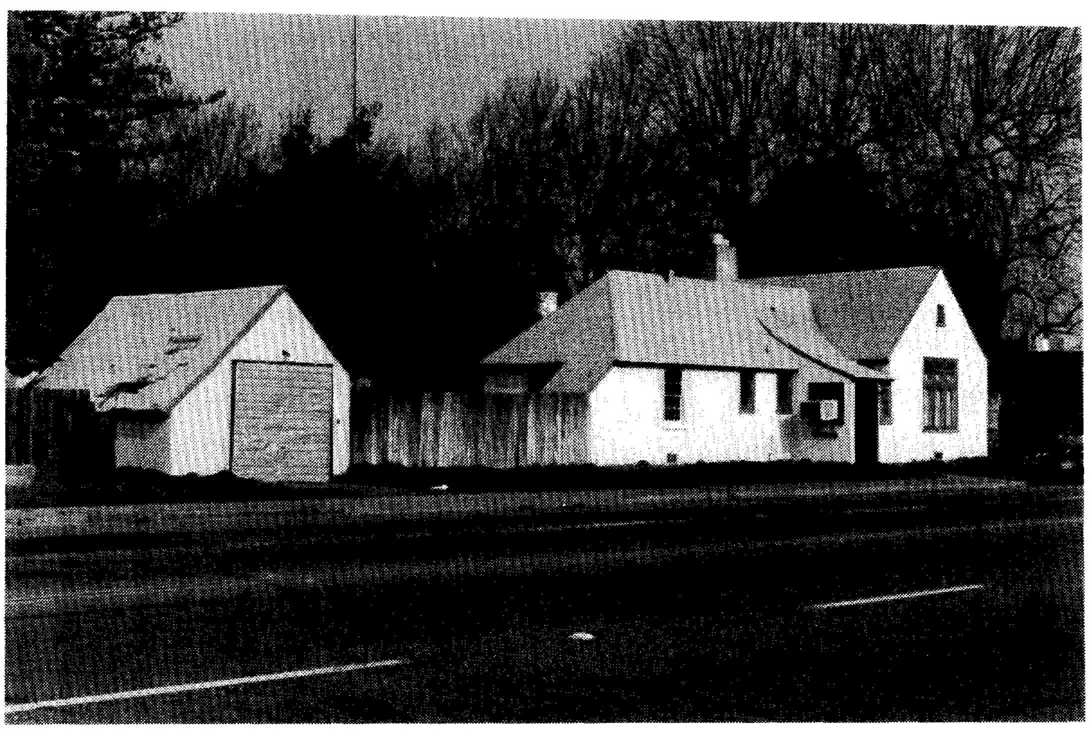
Deteriorated apartment complex, roof and siding deterioration, corner Ham Lane and West Lodi Avenue



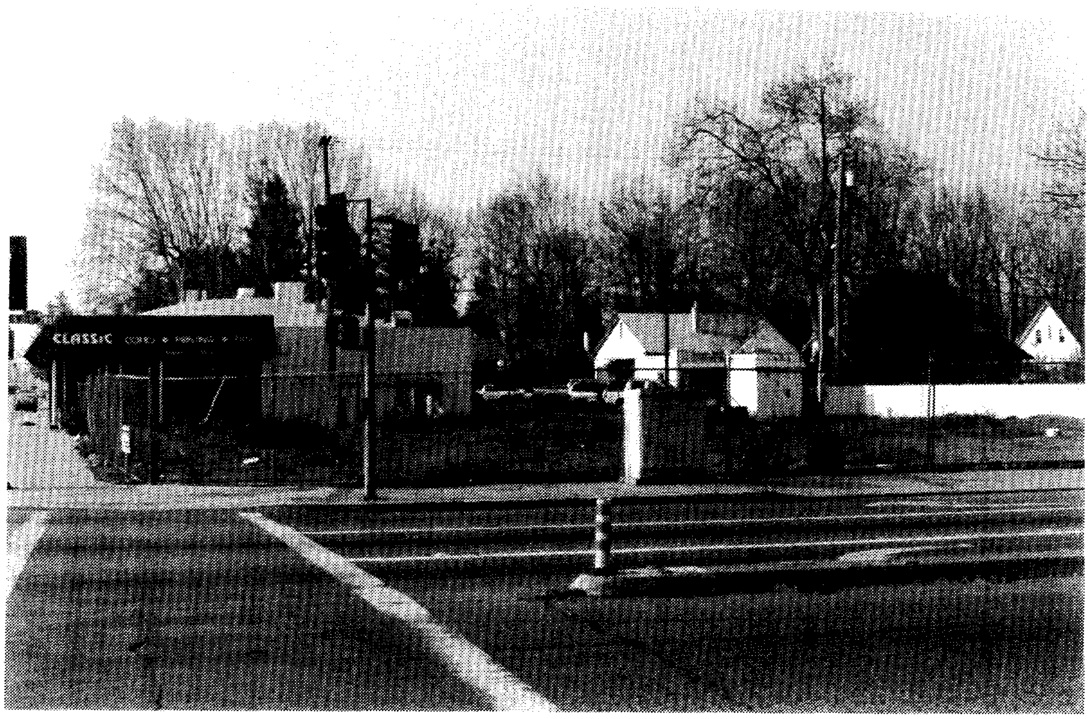
Badly deteriorated siding, detail, apartment complex, Ham Lane and West Lodi Avenue



Aging and deteriorated building, corner West Lodi Avenue and South Orange Avenue

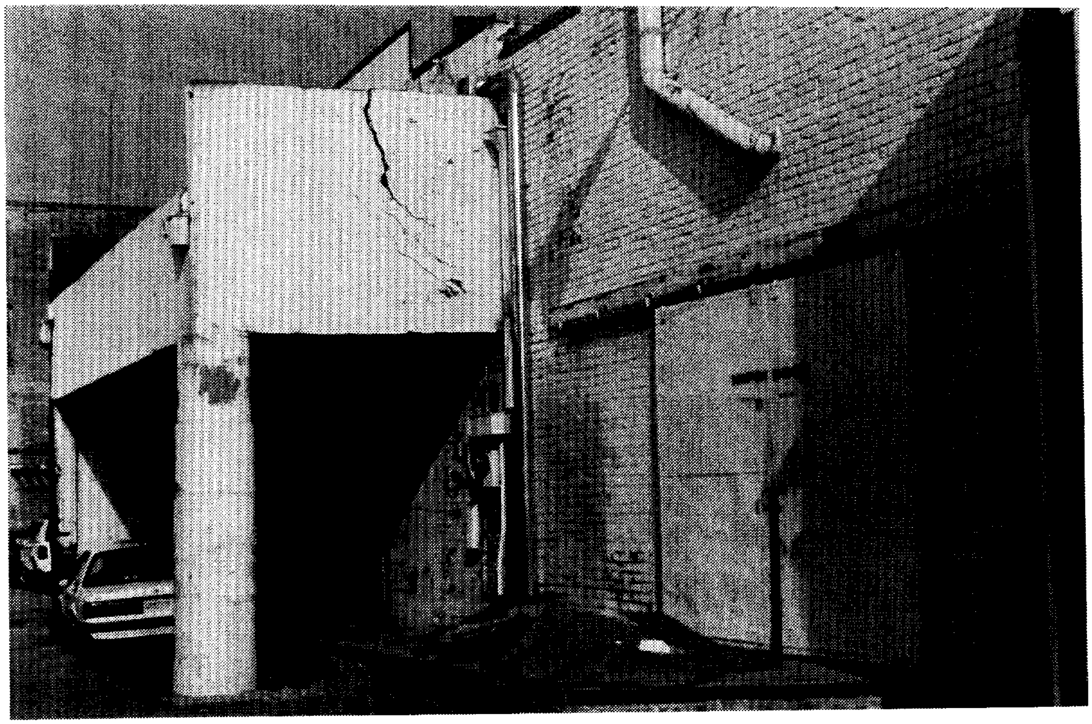


Aging and deteriorated residence and garage, West Lodi Avenue, South California Street

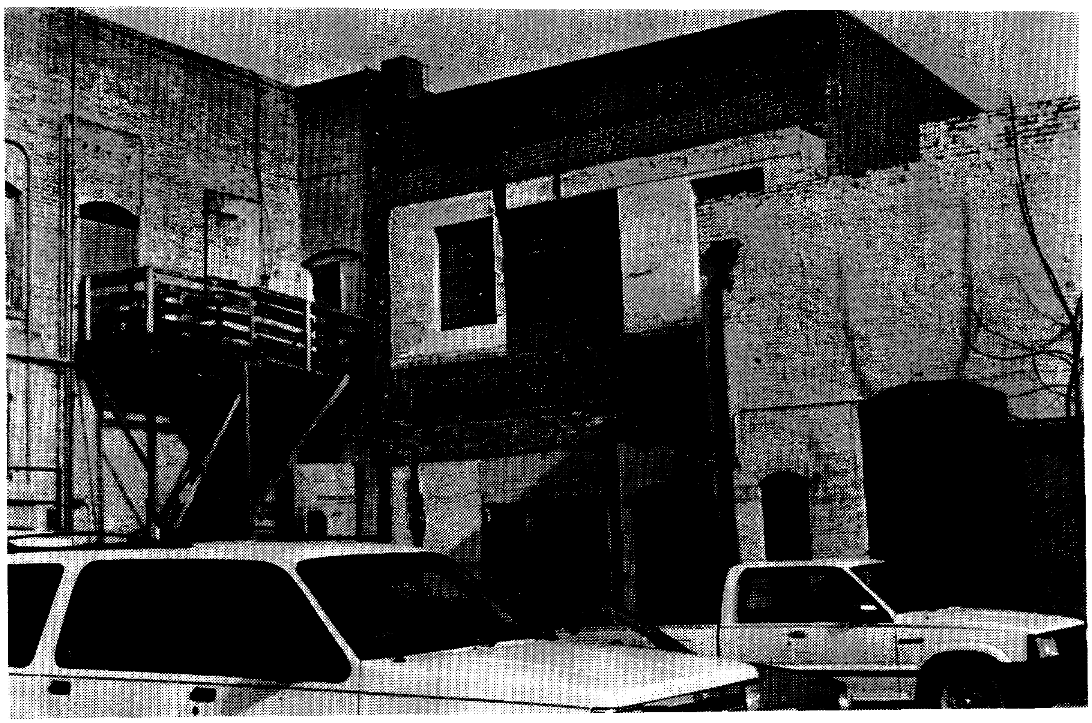


Vacant, corner property, source of soils and groundwater contamination, corner South Hutchins Street and West Lodi Avenue

Rear wall, unreinforced brick construction, failure of wall over door, alley block bounded by West Pine, South Sacramento, West Oak, and South School Streets



Loading dock, evidence of structural failure, rear, 21 South Sacramento Street

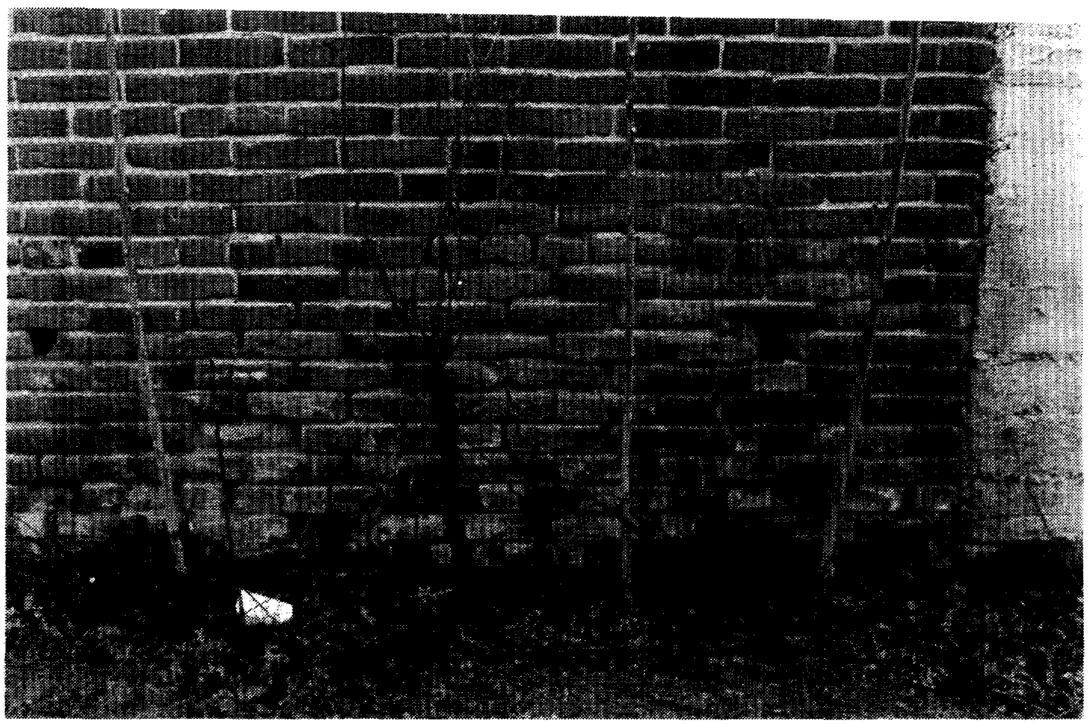


Unreinforced masonry brick buildings, rear, block bounded by West Pine, South Sacramento, West Oak and South School Streets

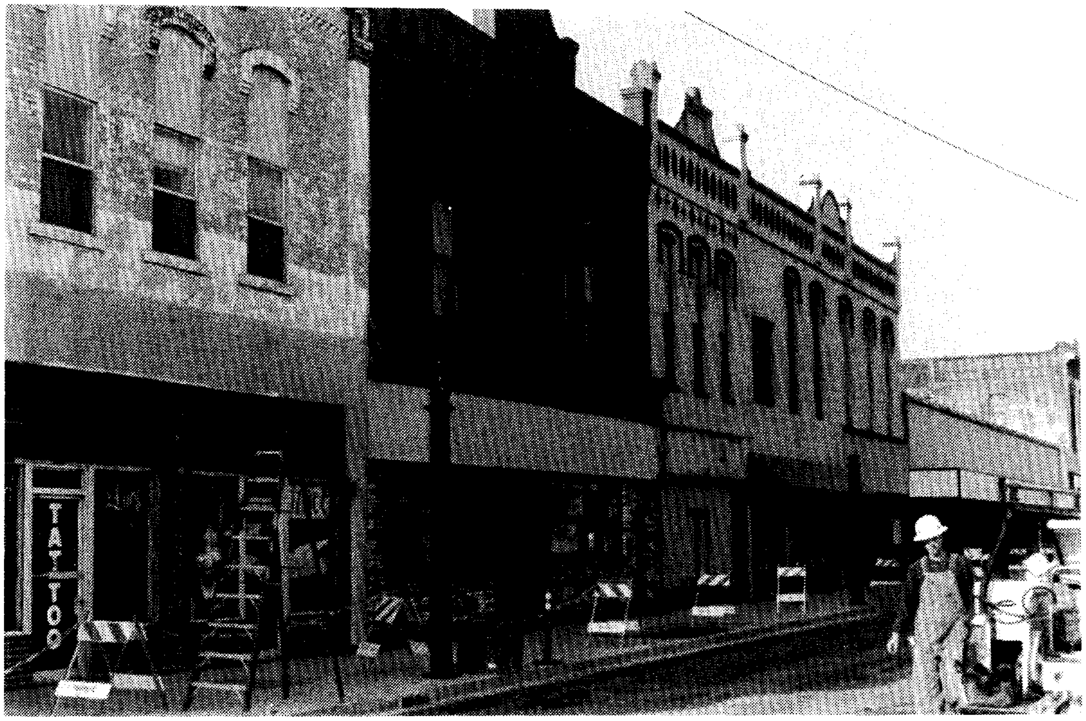
Unreinforced brick building at 15 South Sacramento Street

Serious Mortar and brick erosion, sidewall, 15 South Sacramento Street

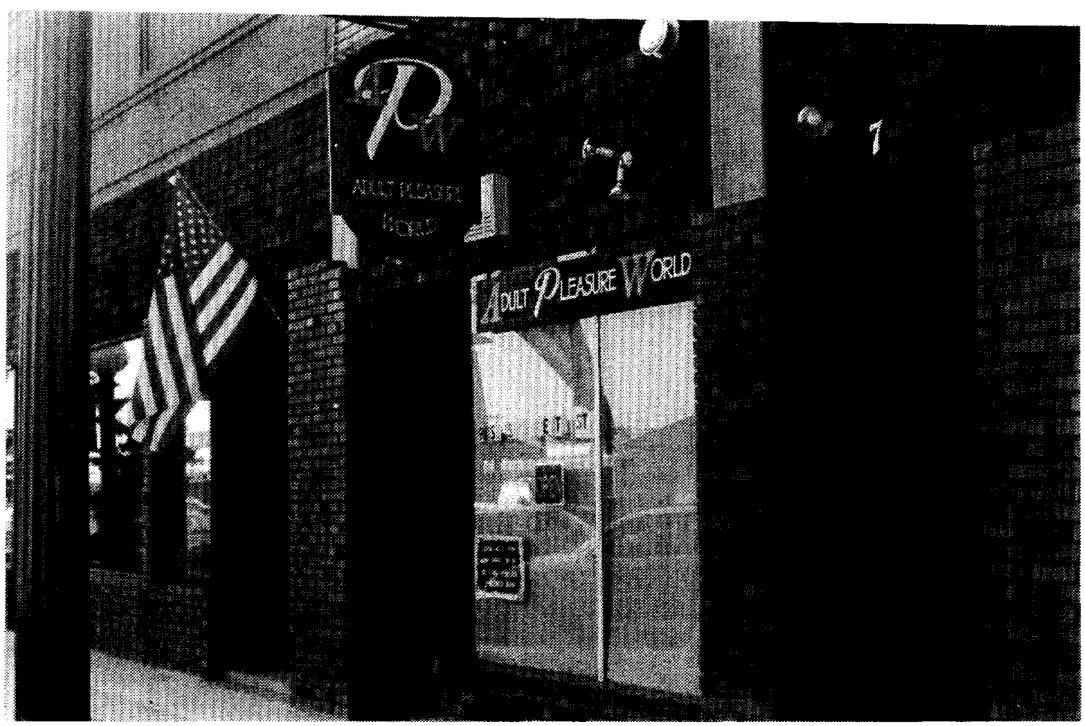
Unreinforced brick building, stucco front, at 21 South Sacramento Street



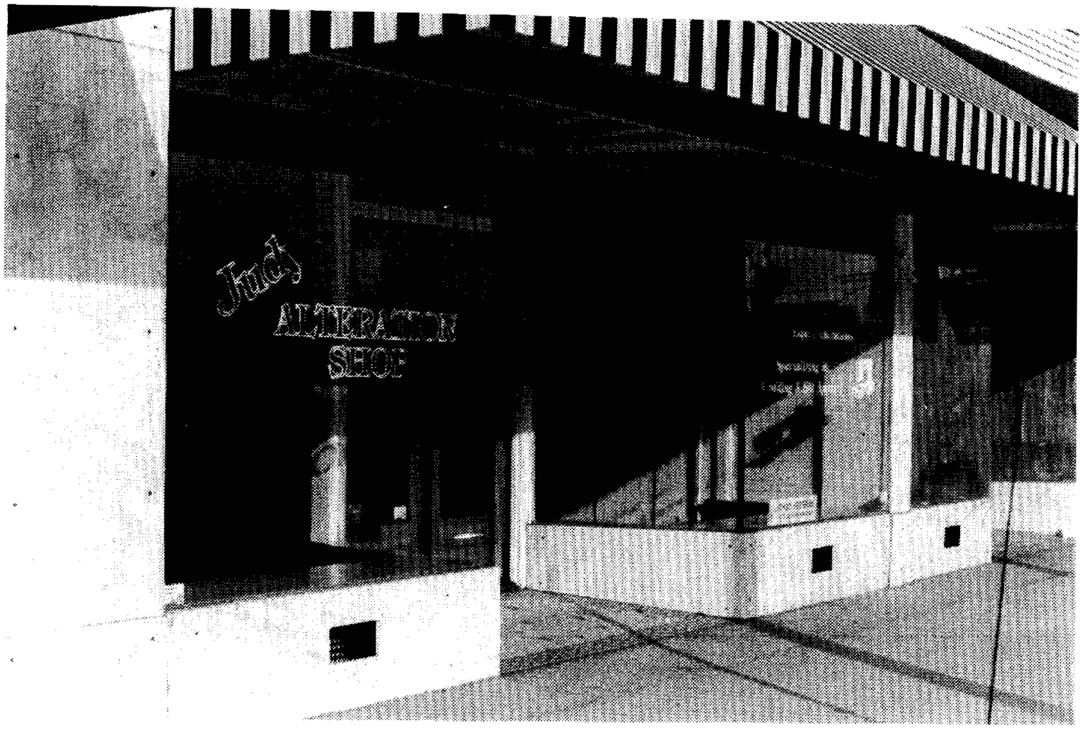
Serious mortar and brick erosion, sidewall, building at 21 South Sacramento Street



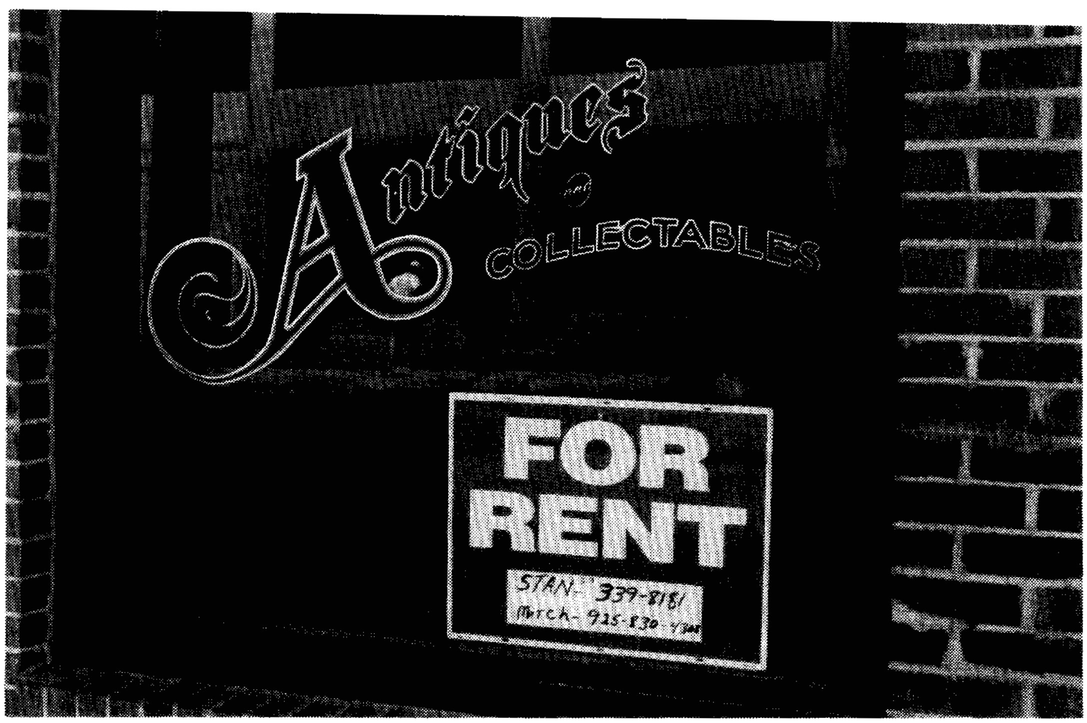
Row of architecturally and historically interesting unreinforced masonry buildings, substantially vacant, North Sacramento Street between West Elm and West Pine Streets



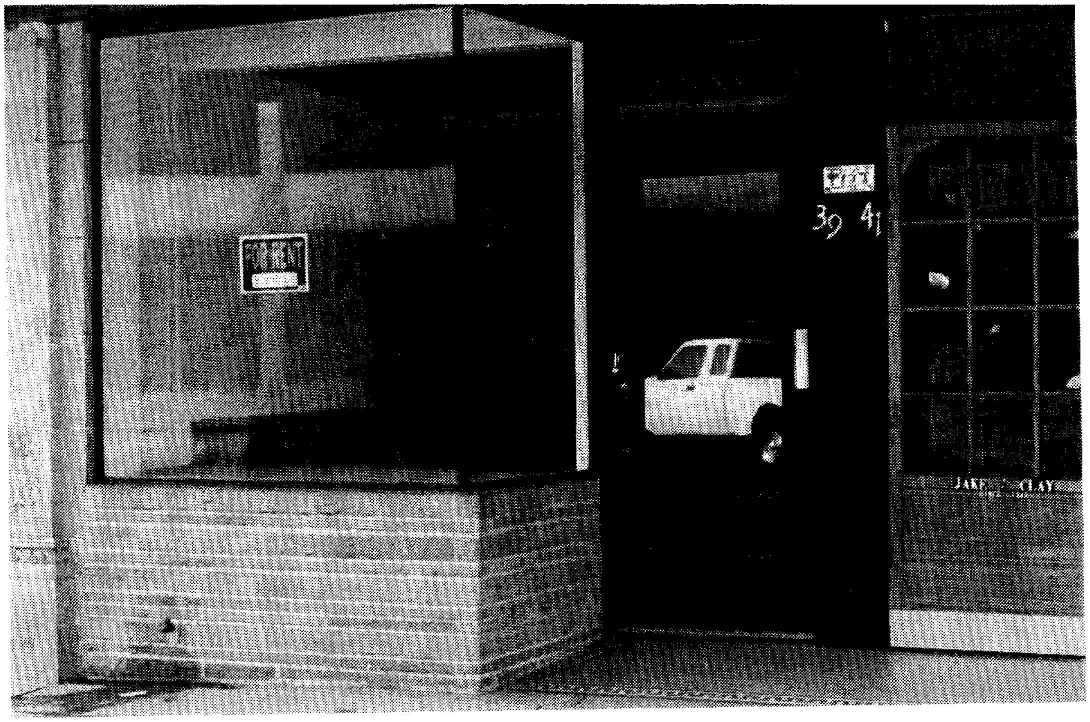
Adult bookstore, 7 South Sacramento Street



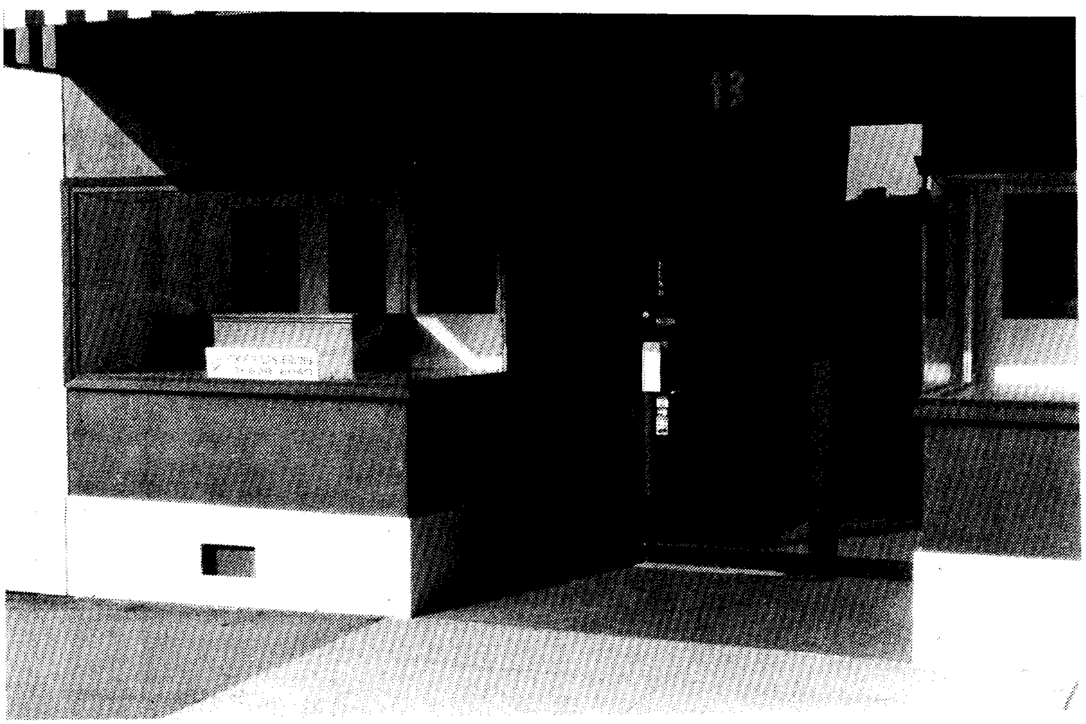
Commercial vacancy, one of many, 7 West Pine Street



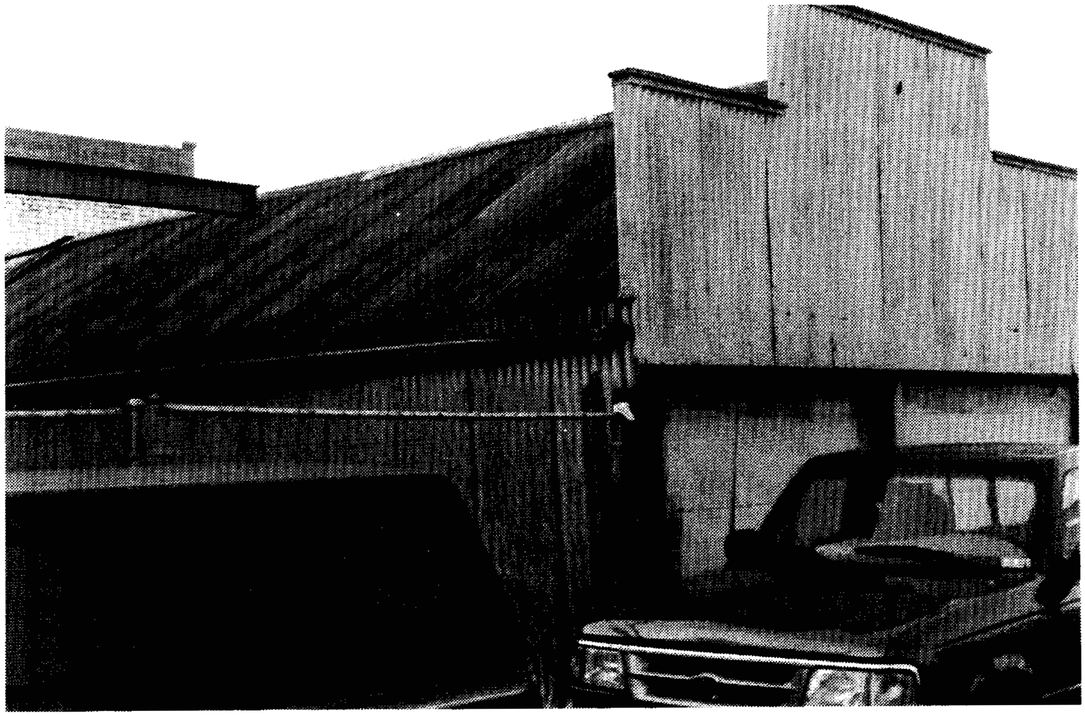
Commercial vacancy, one of many, 35 North Sacramento Street



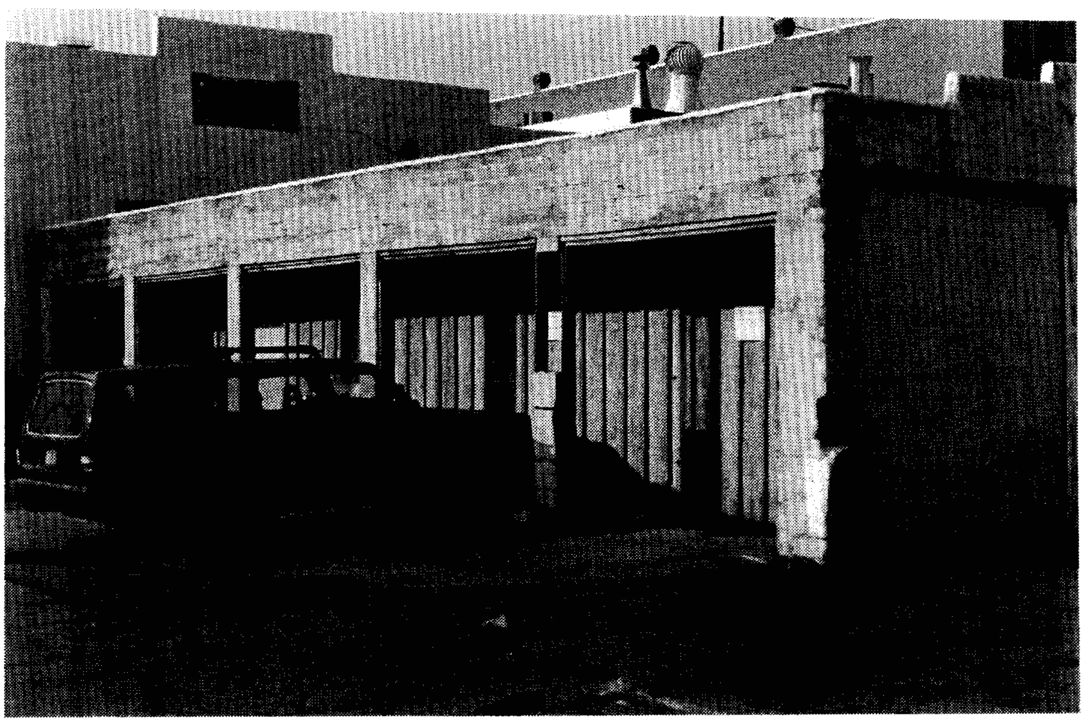
Commercial vacancy, one of many, 39 North Sacramento Street



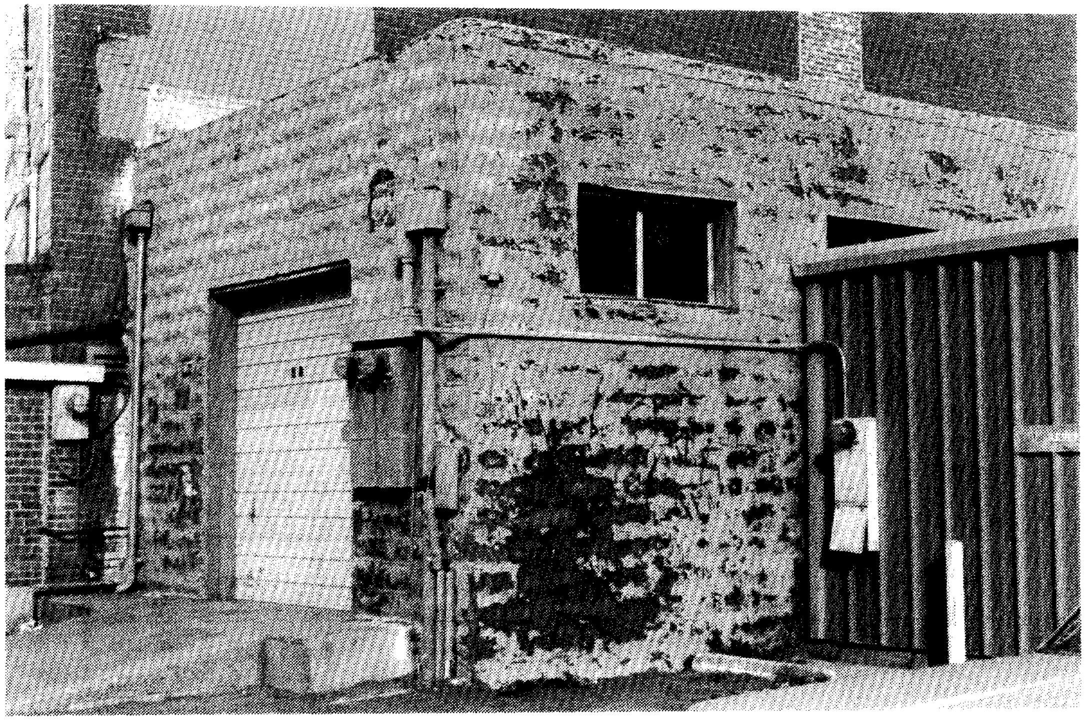
Commercial vacancy, one of many, 13 West Pine Street



Dilapidated corrugated metal garage, alley, in block bounded by West Elm, North Sacramento, West Pine, and North School Streets

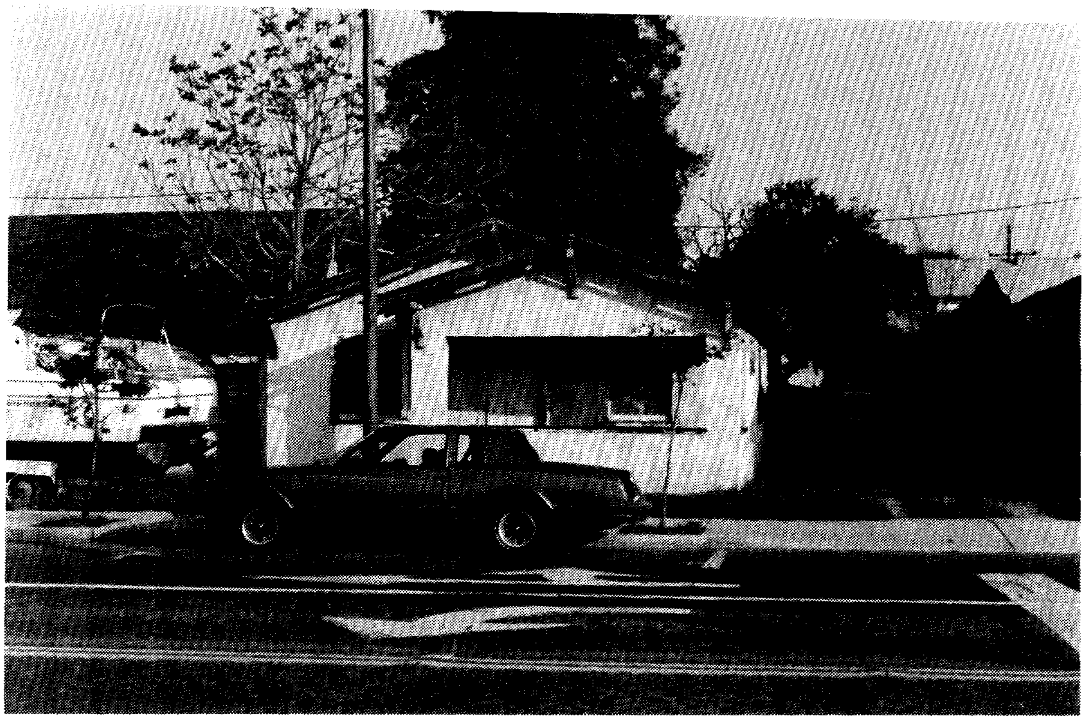


Dilapidated concrete block garage, potentially hazardous (failed column), alley, block bounded by West Elm, North Sacramento, West Pine, and North School Streets

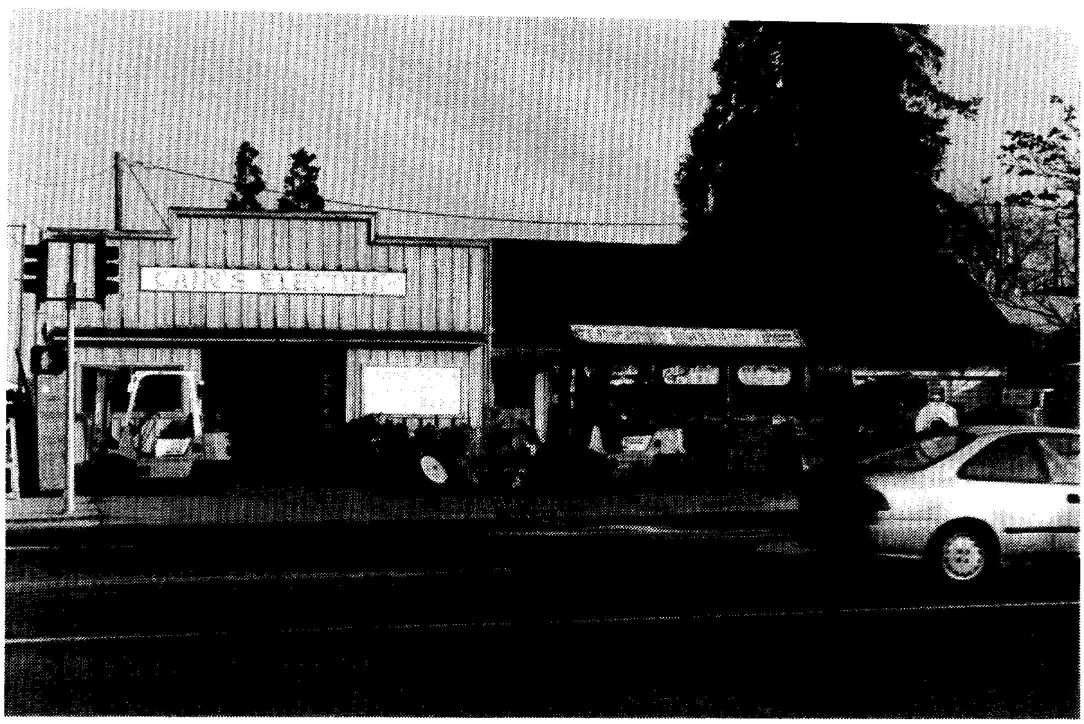


Building addition, Styrofoam exterior, badly deteriorated, alley, block bounded by West Elm, North Sacramento, West Pine, and North School Streets

Dilapidated residence, 216 North Church Street

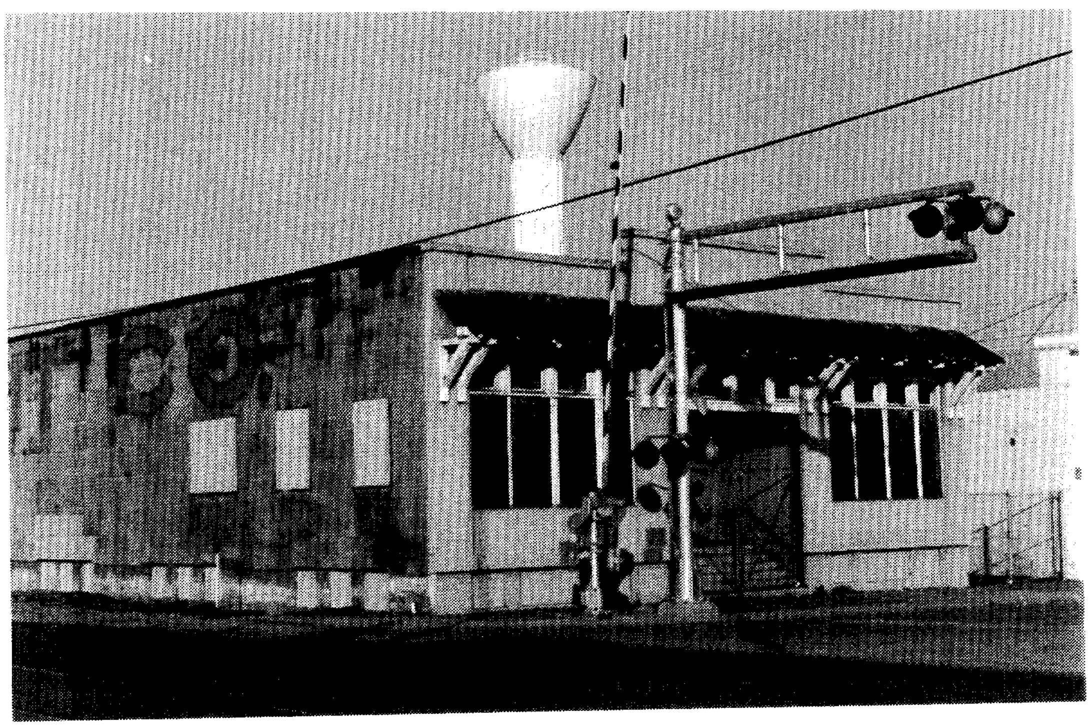


Badly deteriorated residence, 218 North Church Street

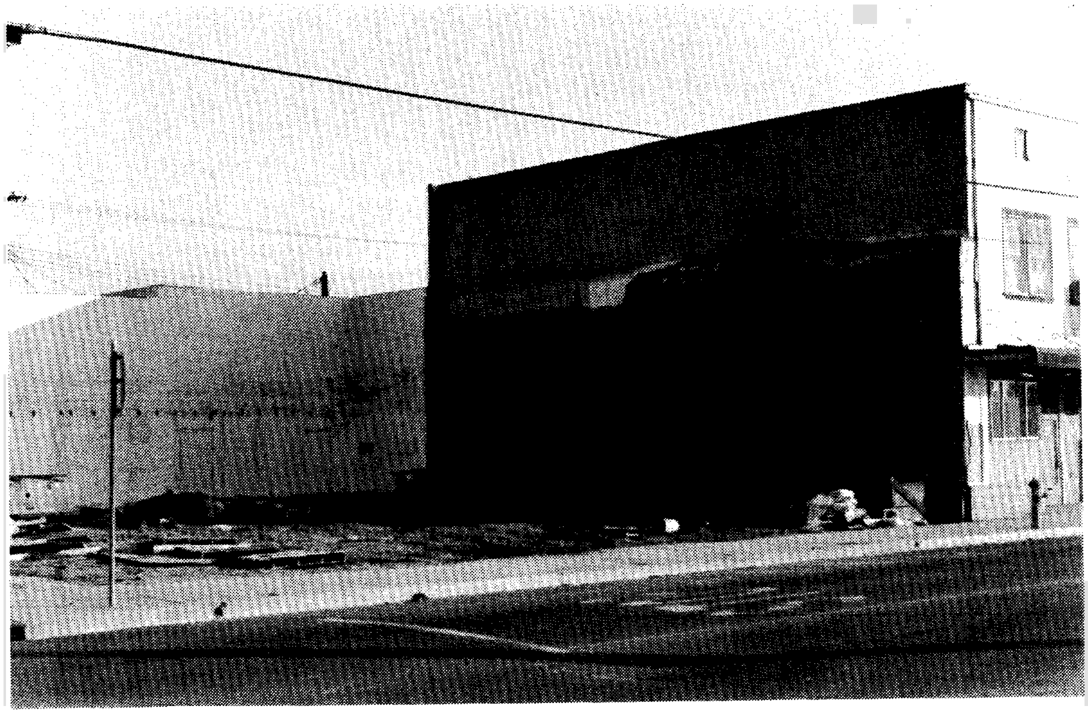


Badly deteriorated commercial buildings, corner of West Lockeford and North Church Streets

Dilapidated residence, 224 North Stockton Street



Dilapidated metal-clad building, East Elm Street at railroad track

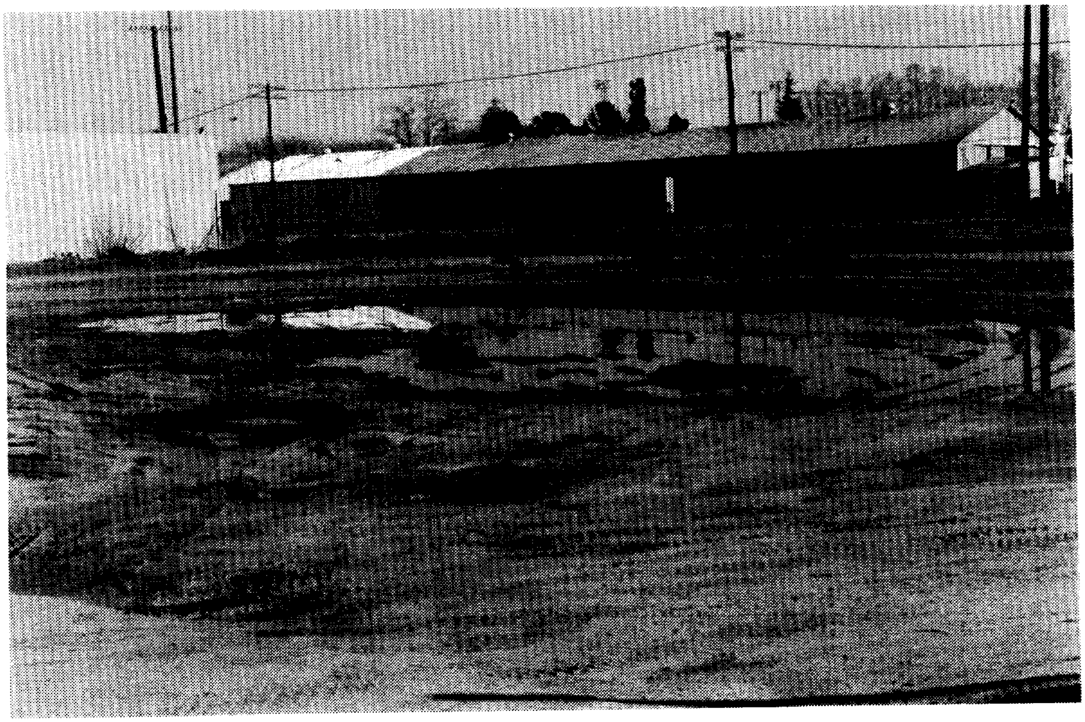


Demolition site, debris accumulation, corner, East Elm and North Main Streets

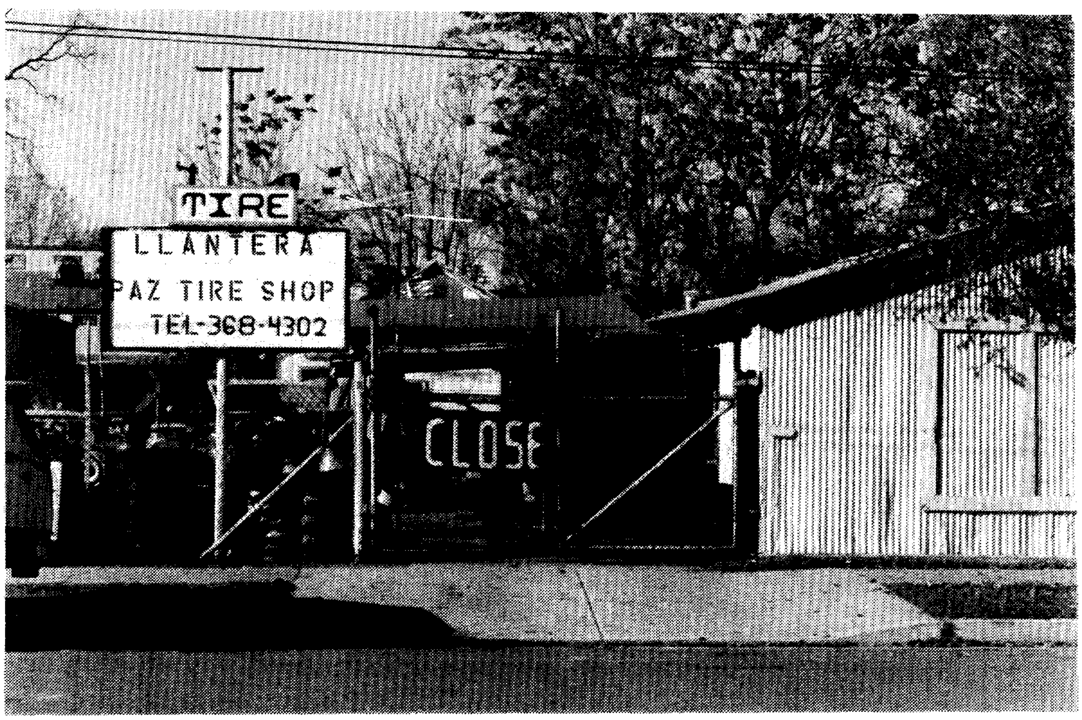
Old reinforced concrete building, deterioration, broken windows, sagging canopy, 24 North Main Street

Railroad property, rainwater ponding, abandoned spur tracks, construction debris, west side North Main Street, between East Elm and East Pine Streets

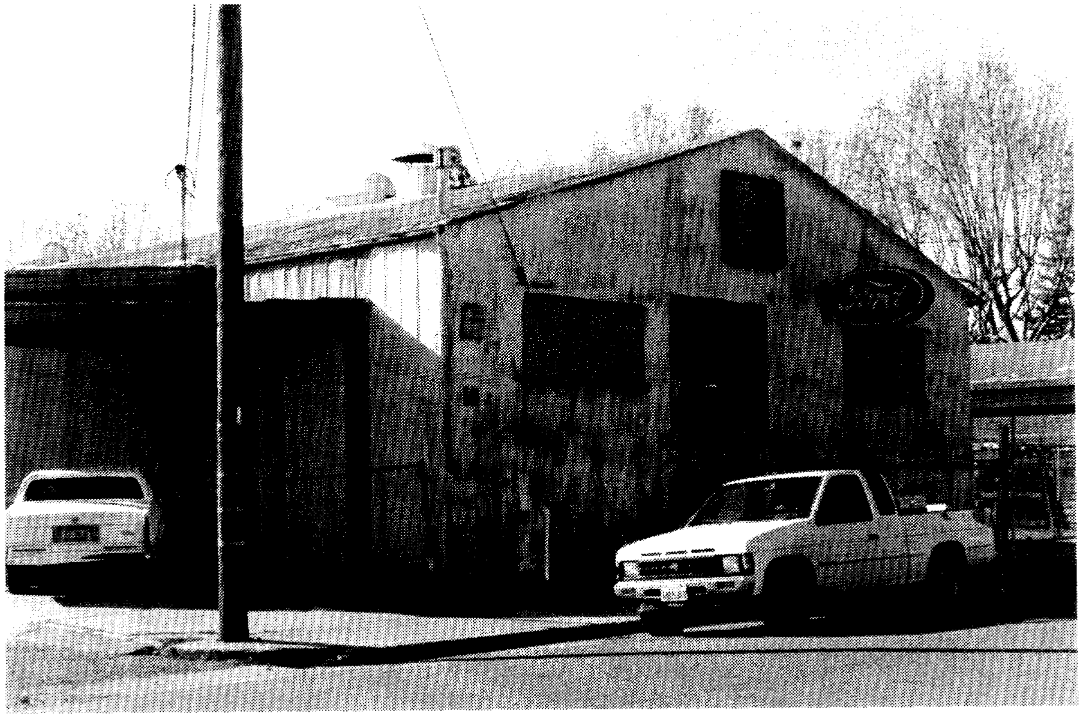
Architecturally and historically interesting Victorian with structural problems, serious deterioration, appears to be under renovation, adjacent to 424 East Pine Street



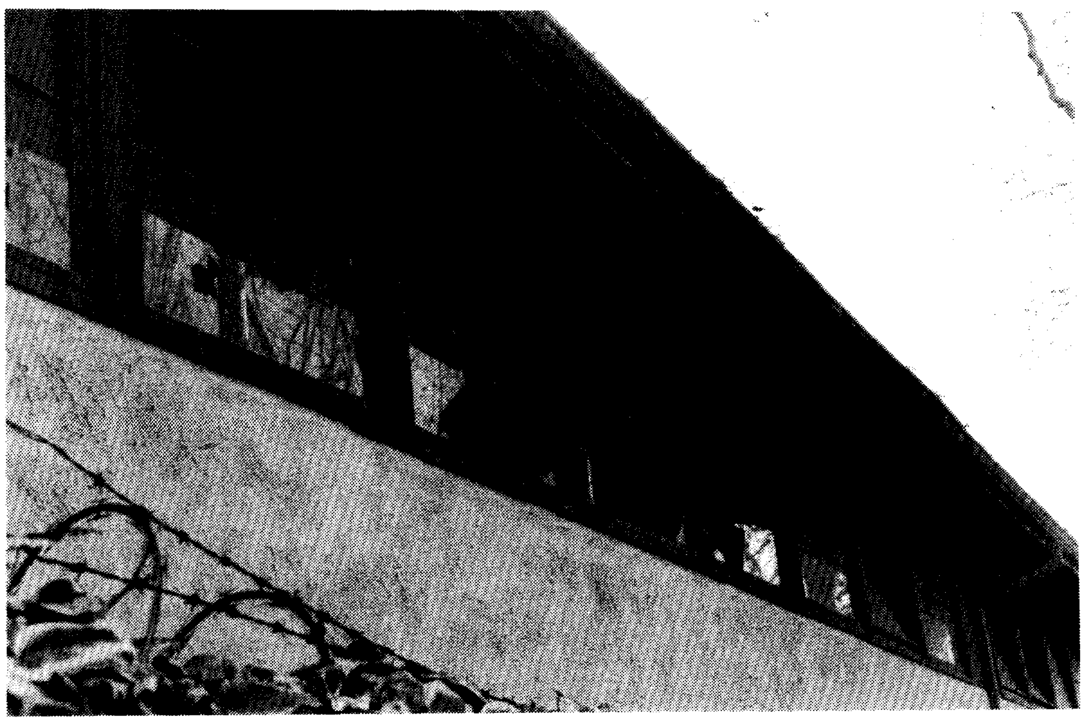
Underutilized commercial/industrial property, rainwater ponding, opposite 401 North Sacramento Street



Tire shop, deteriorated building, 625 North Sacramento Street

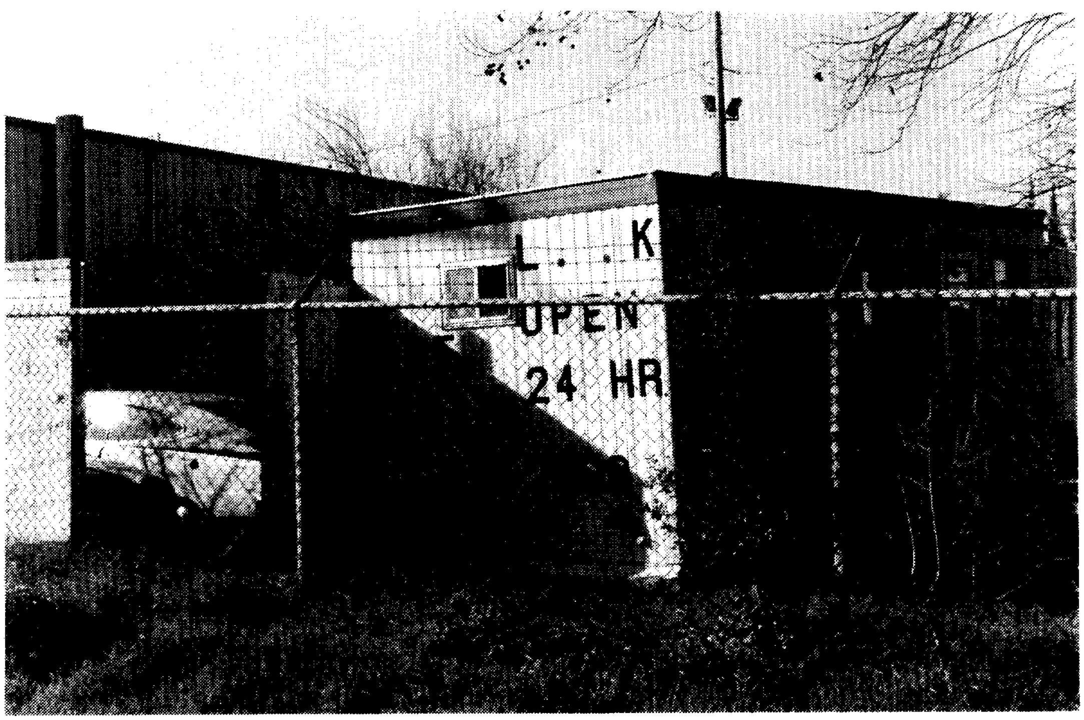


Deteriorated metal building, 10 Daisy Avenue

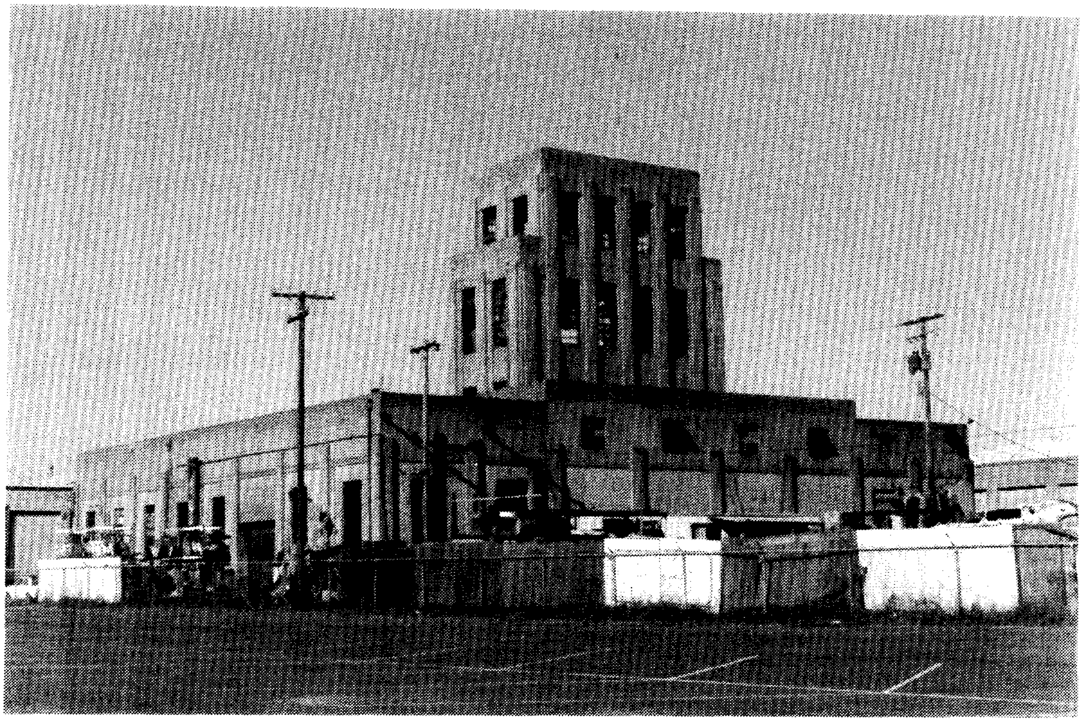


Broken windows, otherwise well-maintained industrial/service building, corner Daisy and North School Streets

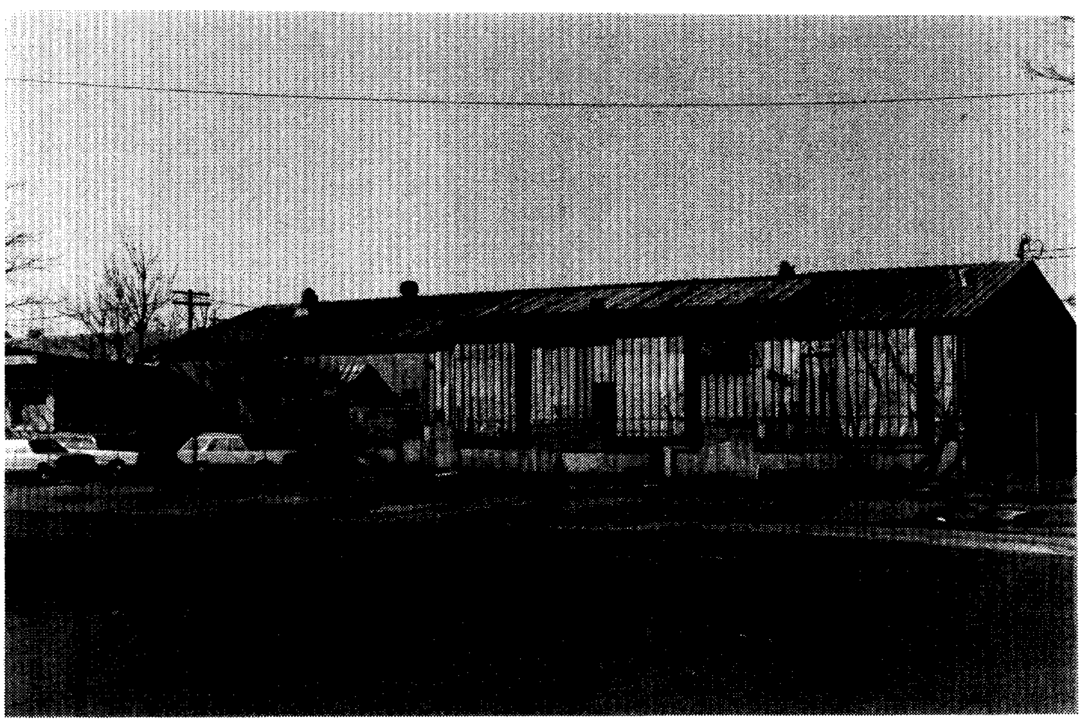
Underutilized commercial/industrial site, rainwater ponding, currently used for truck parking, corner North Sacramento Street and East Turner Road



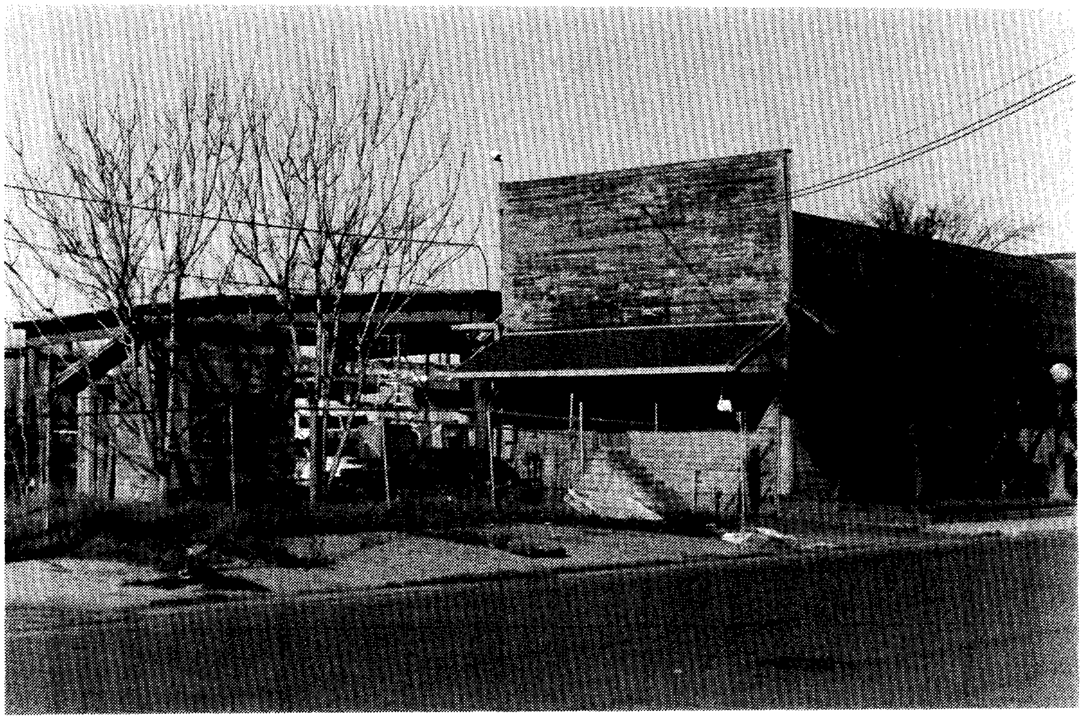
Abandoned trailers and automobiles, corner of East Turner Road and North Stockton Street



Dilapidated reinforced concrete industrial building, broken windows, westerly frontage of North Stockton Street, opposite Lawrence School

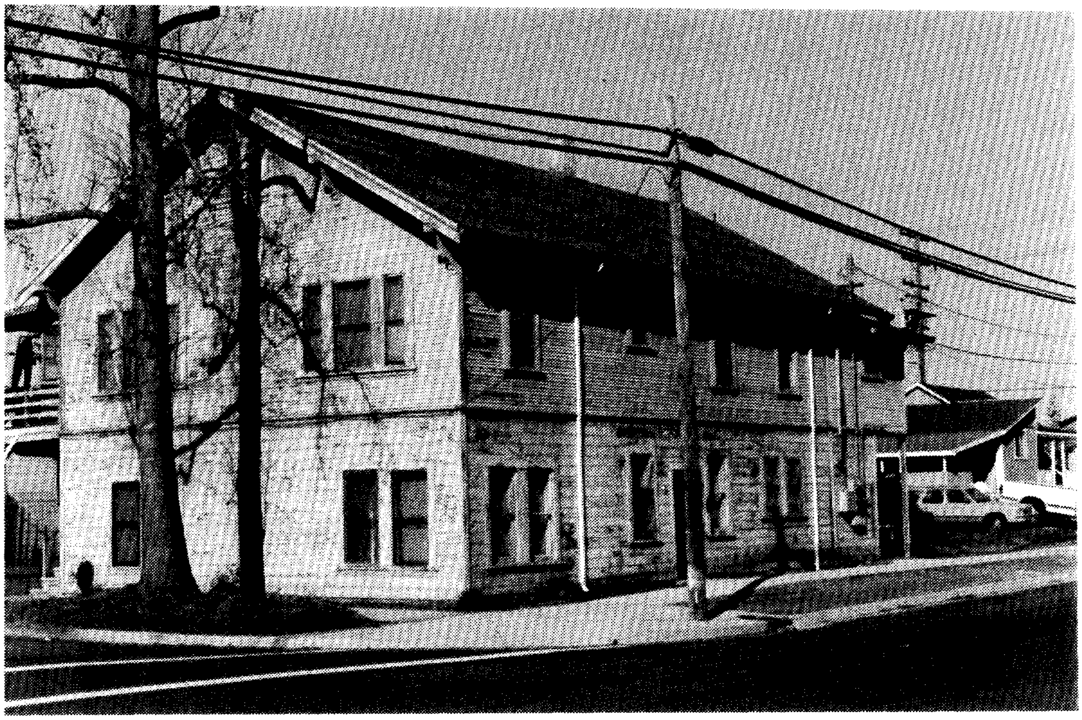


Badly deteriorated industrial warehouse building, broken windows, non-operating vehicles, intersection of Lawrence Avenue and North Main Street

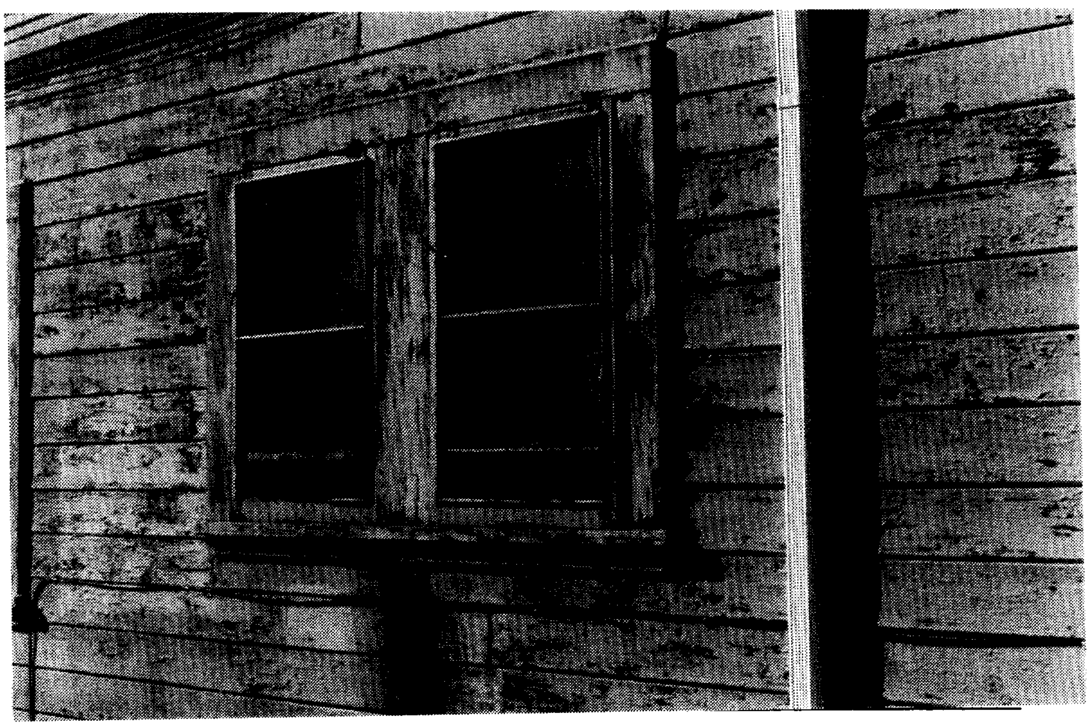


Deteriorated buildings, trash and debris accumulation, 315 North Main Street

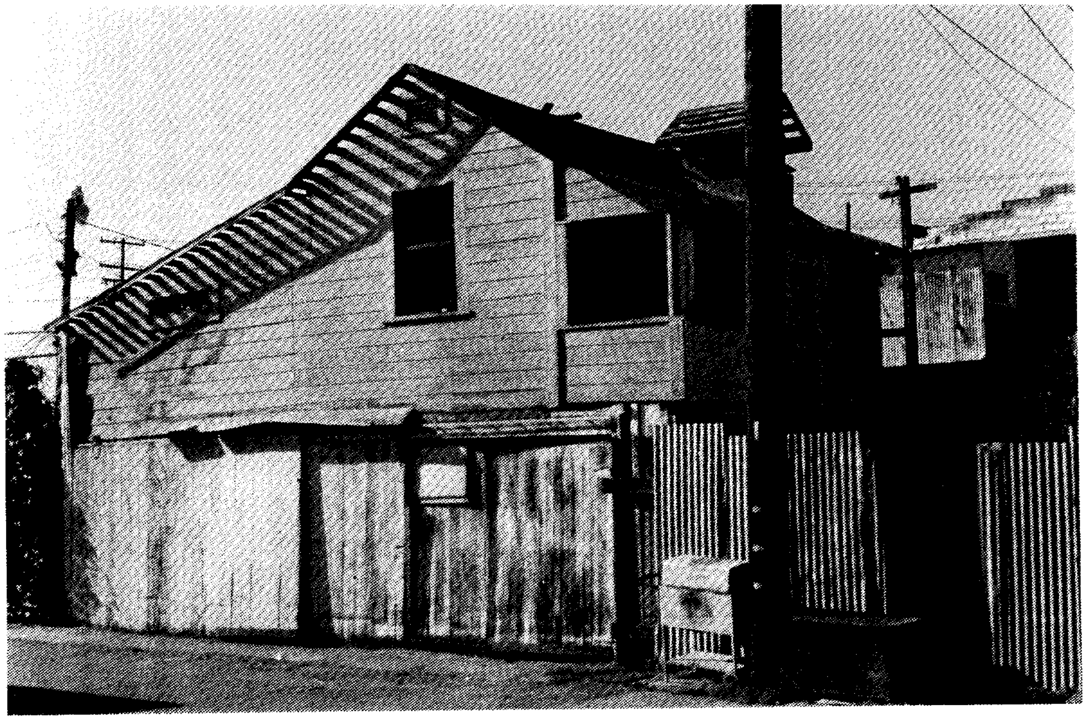
Illegal dumping, abandoned spur tracks, opposite 316 North Main



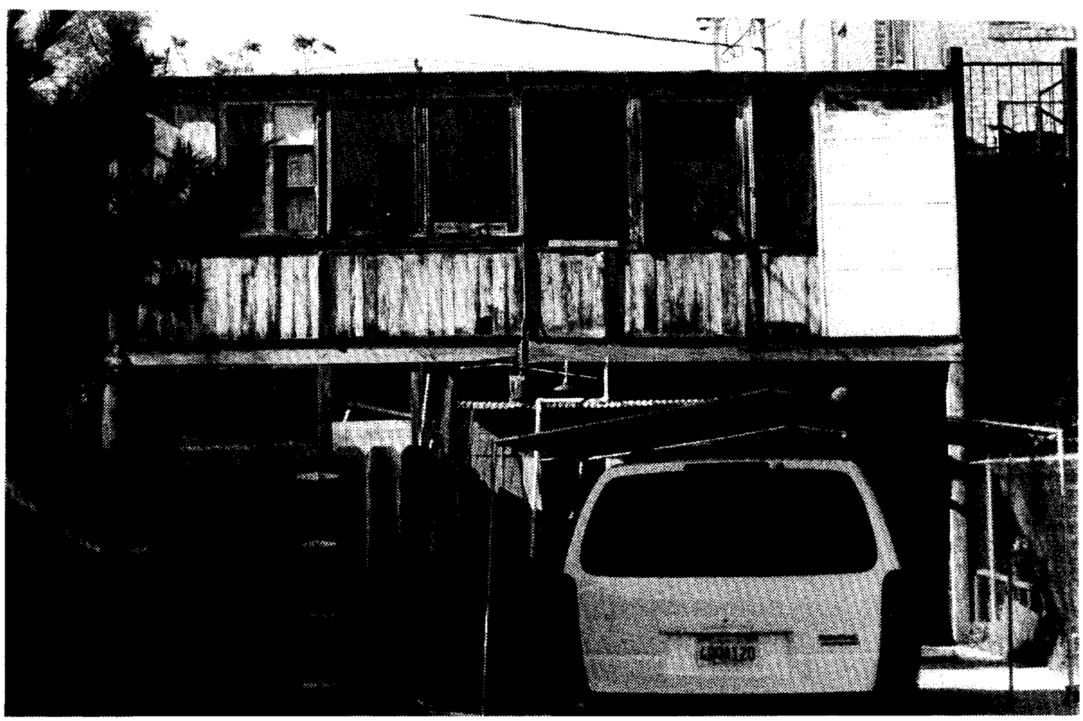
Badly deteriorated apartment building, broken windows, deteriorated siding, dry rot, ripped screens, corner North Stockton and East Locust Streets



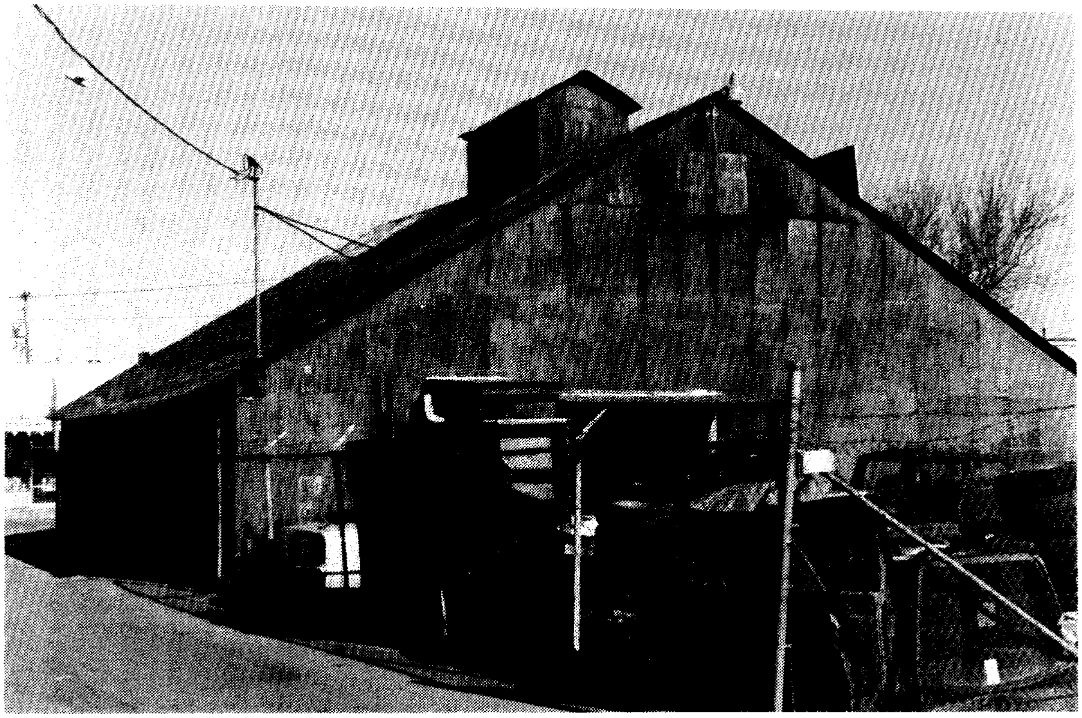
Deteriorated siding, ripped screens, detail, apartment building, North Stockton and East Locust Streets.



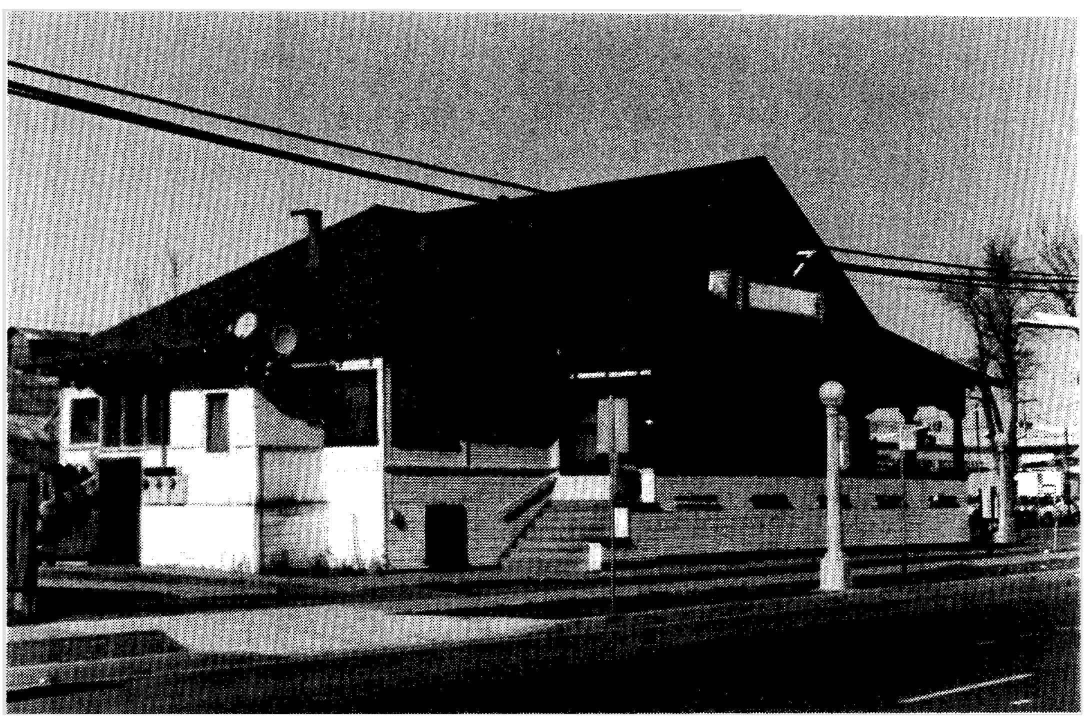
Abandoned residential garage building, dilapidated, alley in block bounded by East Elm, North Stockton, East Pine, and North Main Streets



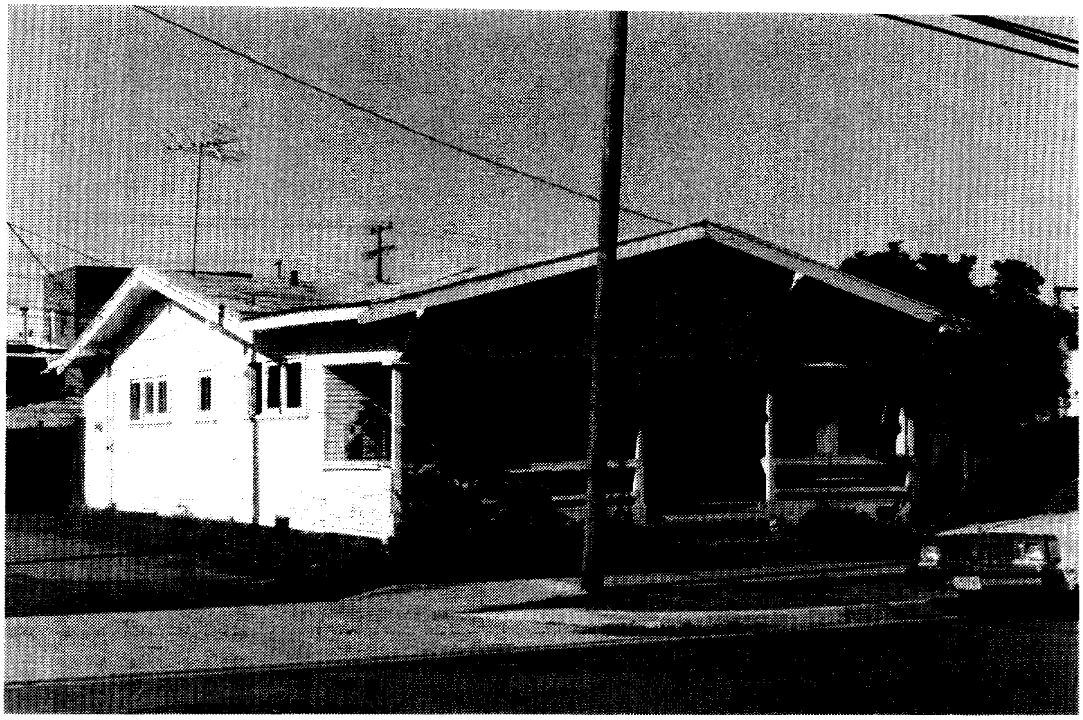
Dilapidated structure, rear, 10 North Main Street



Dilapidated corrugated metal commercial building, sagging roof, East Pine Street at alley between South Main and South Stockton Streets

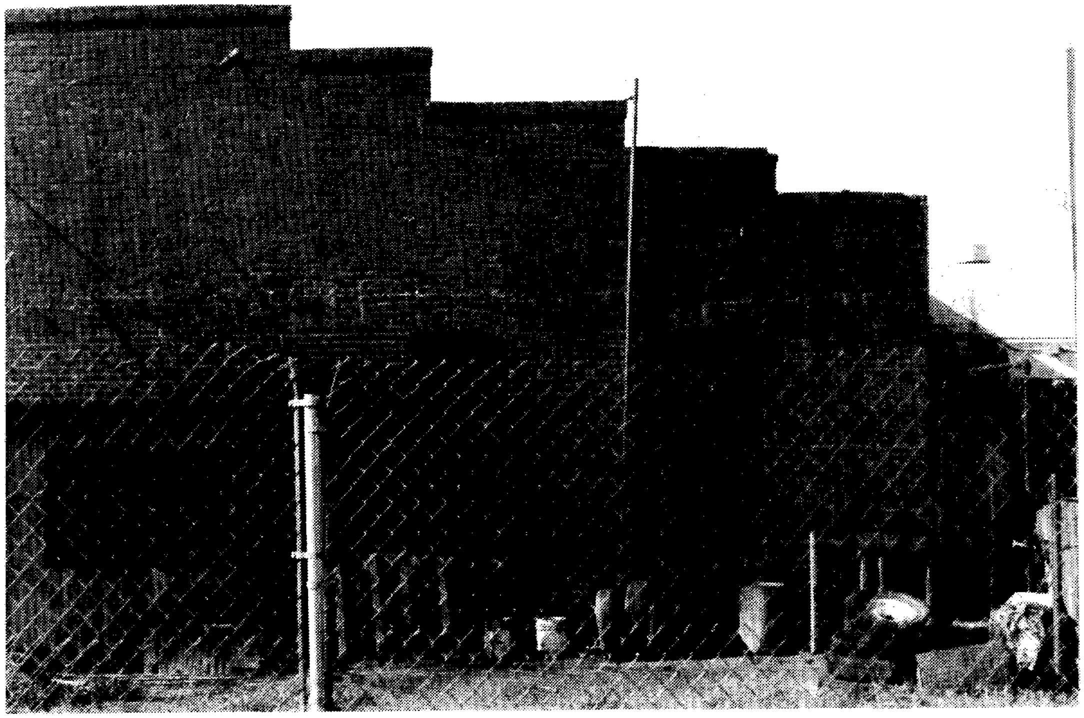


Large deteriorated residence, sagging porch, leaning chimney, corner East Pine and South Stockton Streets

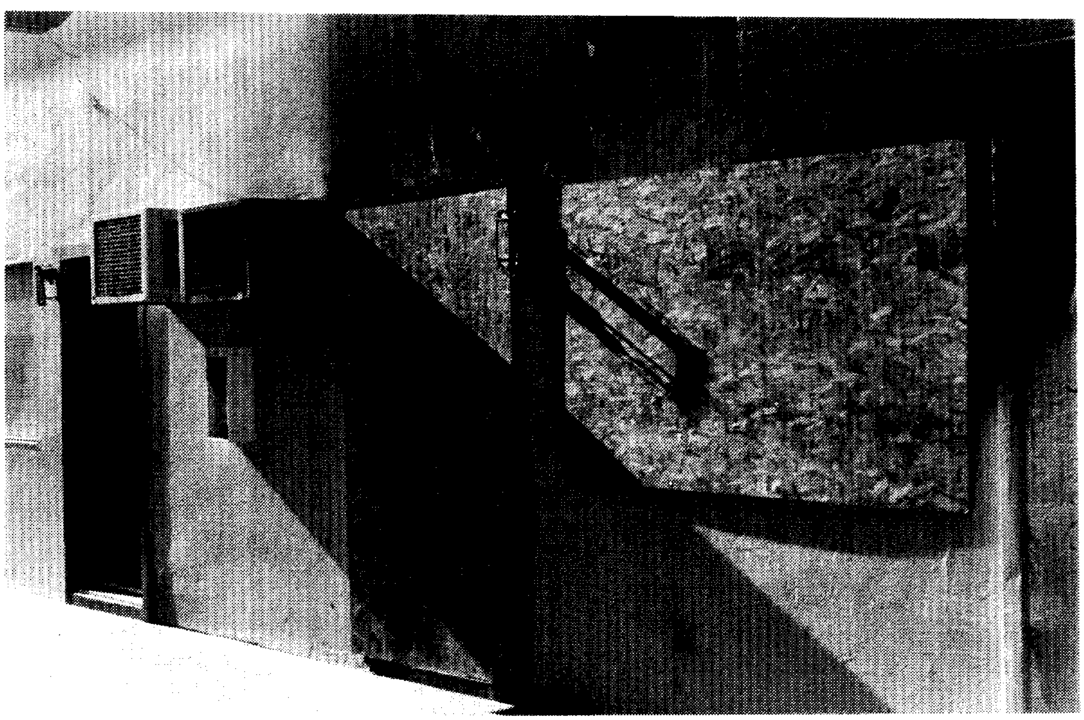


Deteriorated residence, sagging porch, broken windows, peeling paint, 15 South Stockton Street

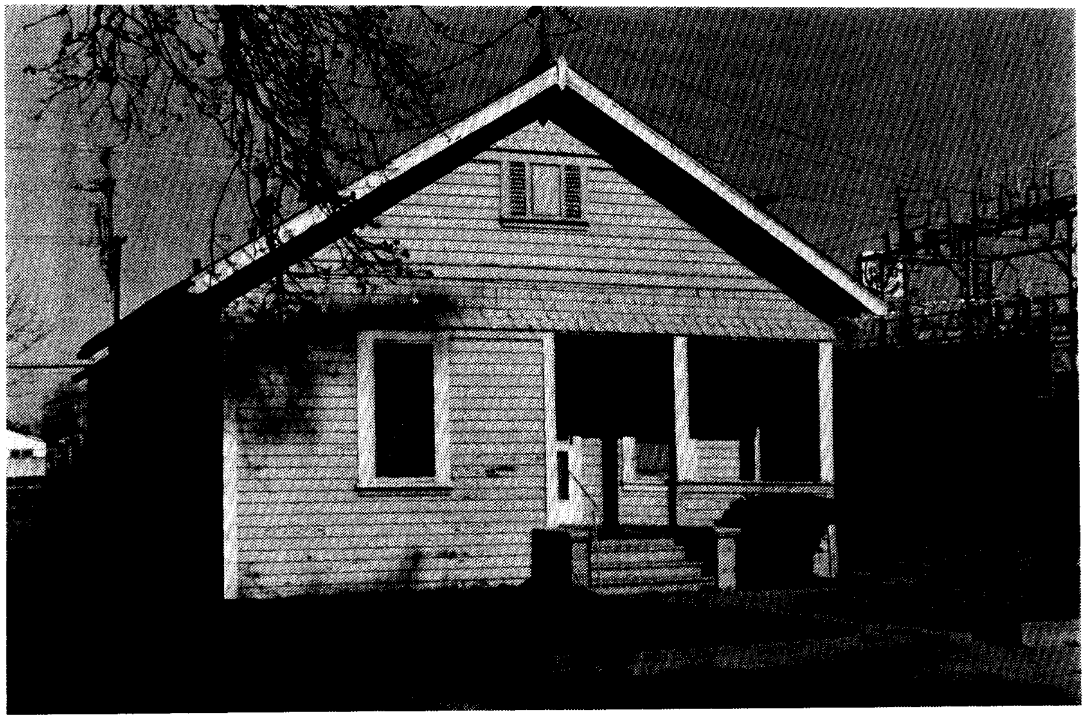
Broken windows, detail, residence, 15 South Stockton Street



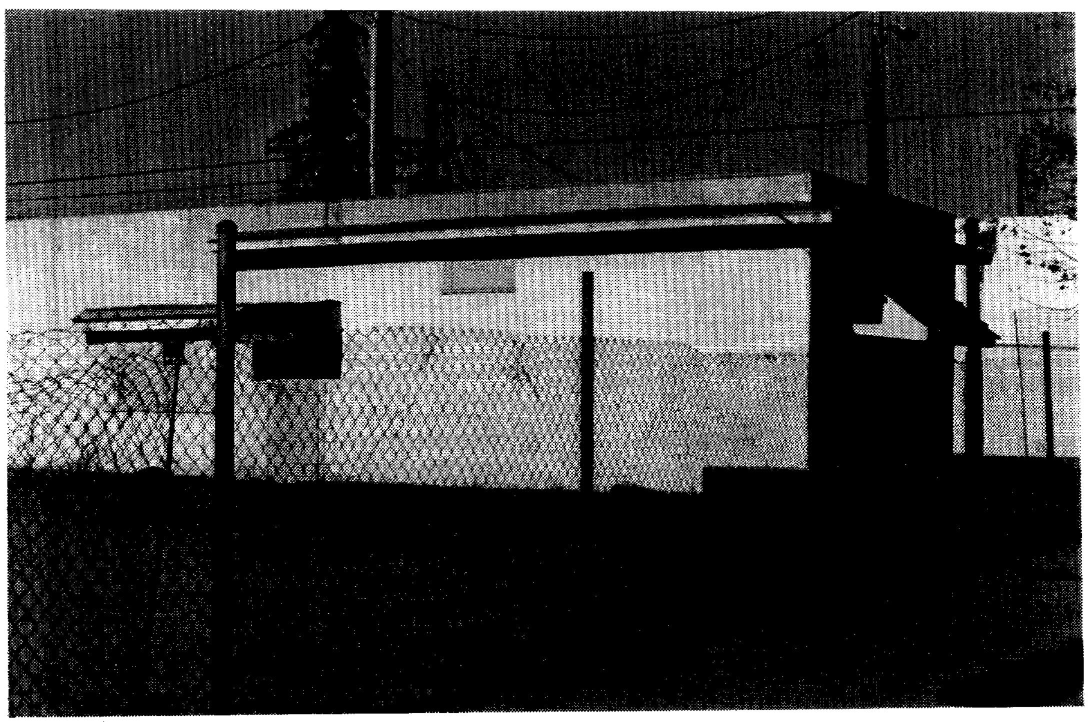
Unreinforced masonry brick building, structural failure, rear wall, adjacent to 130 North Sacramento Street



Burned out apartment, 425 East Locust Street



Badly deteriorated residence, peeling paint, sagging porch, 541 East Locust Street



Vacant underutilized property, boarded up building, corner North Cherokee Lane and East Elm Street

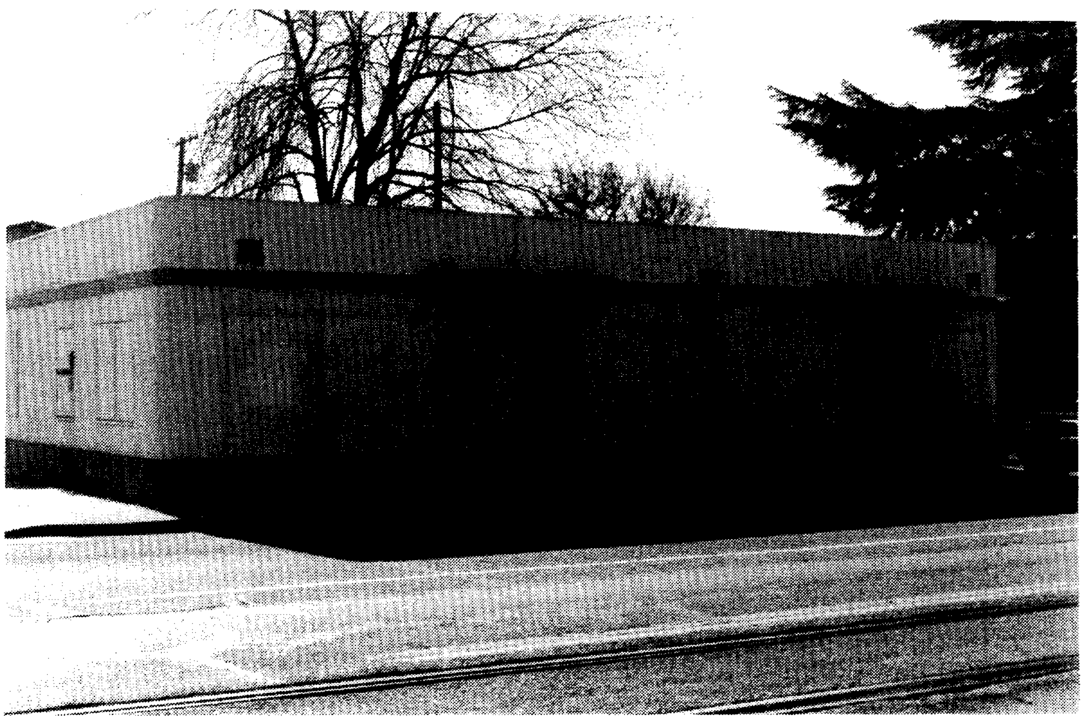
Architecturally and historically interesting Lincoln School, dilapidated, corner South Cherokee Lane and East Pine Street

Small deteriorated commercial buildings, peeling paint, dry rot, corner East Walnut Street and South Cherokee Lane

Large commercial building, brick construction, deteriorated, corner East Walnut Street and South Cherokee Lane

Badly deteriorated residence, sagging front porch, broken windows, 515 East Lodi Avenue

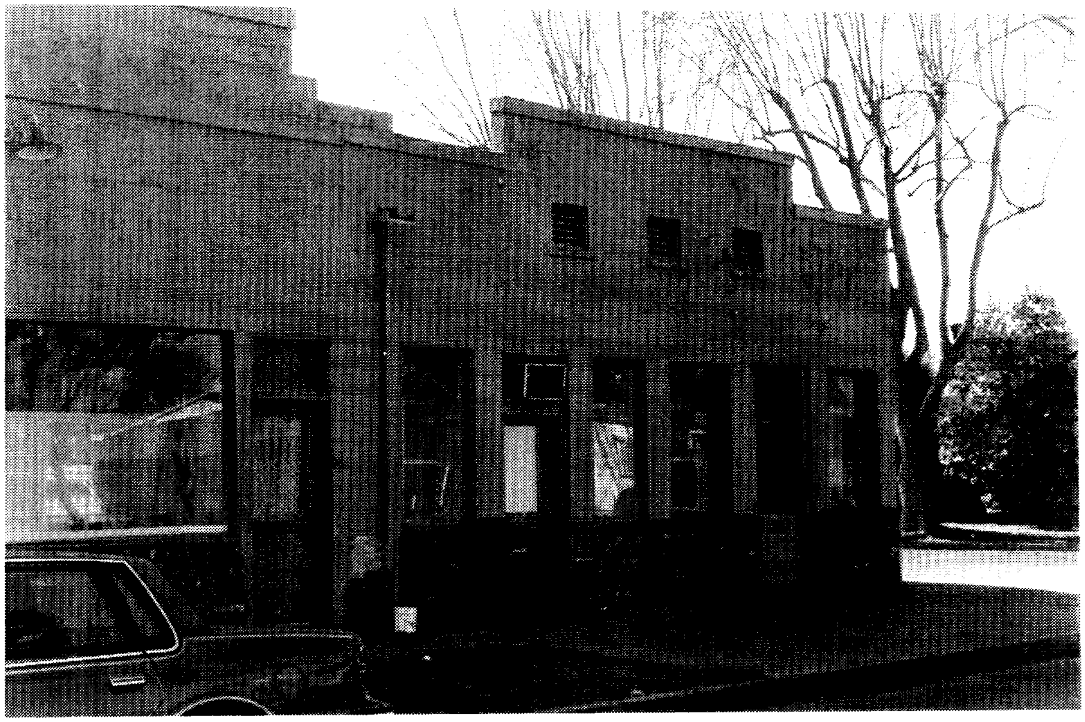
Dilapidated residence, sagging and broken front porch, peeling paint, dry rot, adjacent to 515 East Lodi Avenue



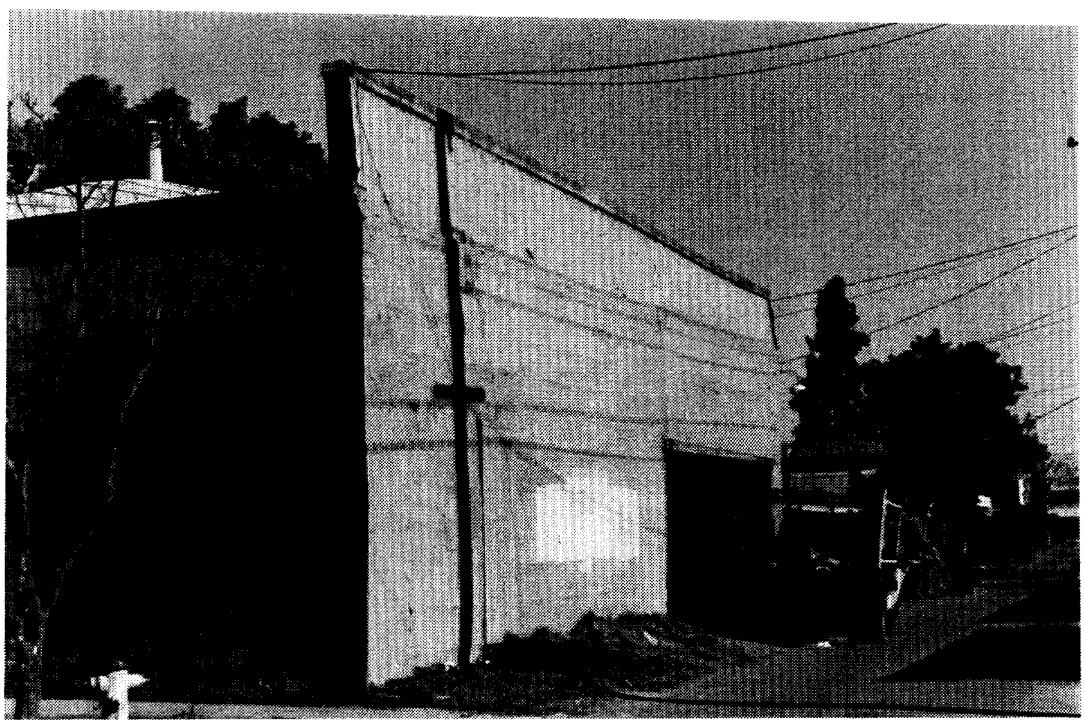
Boarded up commercial building, badly deteriorated, corner East Lodi Avenue and South Garfield Street

Boarded up commercial building, deteriorated, 505 East Lodi Avenue

Dilapidated house, broken window frames, deteriorated roof, extensive dry rot, opposite 236 East Lodi Avenue

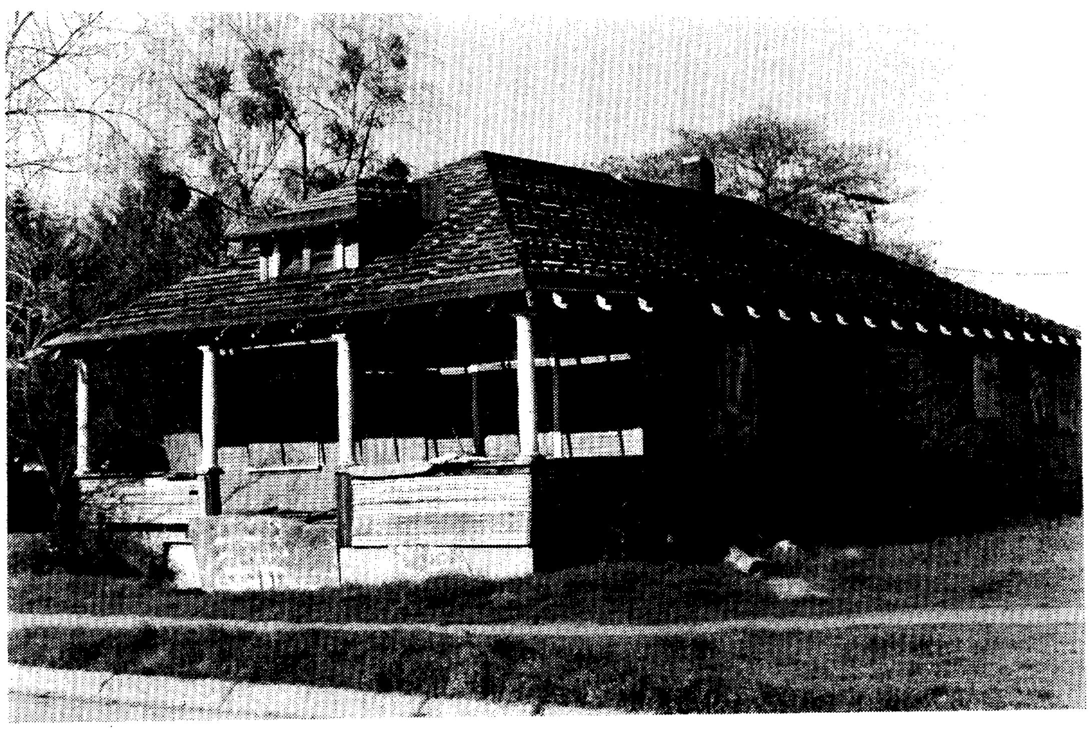


Dilapidated commercial building, evidence of structural problems (cracked walls), dry rot, peeling paint, 502 East Oak Street



Evidence of serious structural problems, sagging walls, detail, rear of 502 East Oak Street

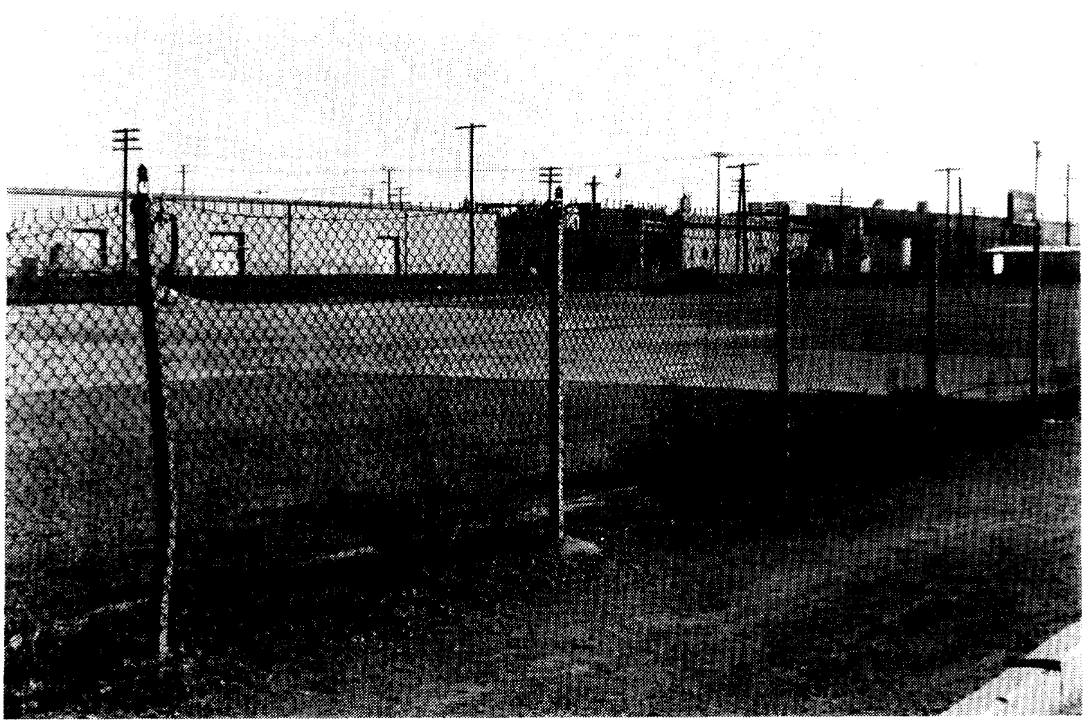
Architecturally and historically interesting structure, former creamery, Art Deco design, *circa* 1938, deteriorated, 100 South Cherokee Lane



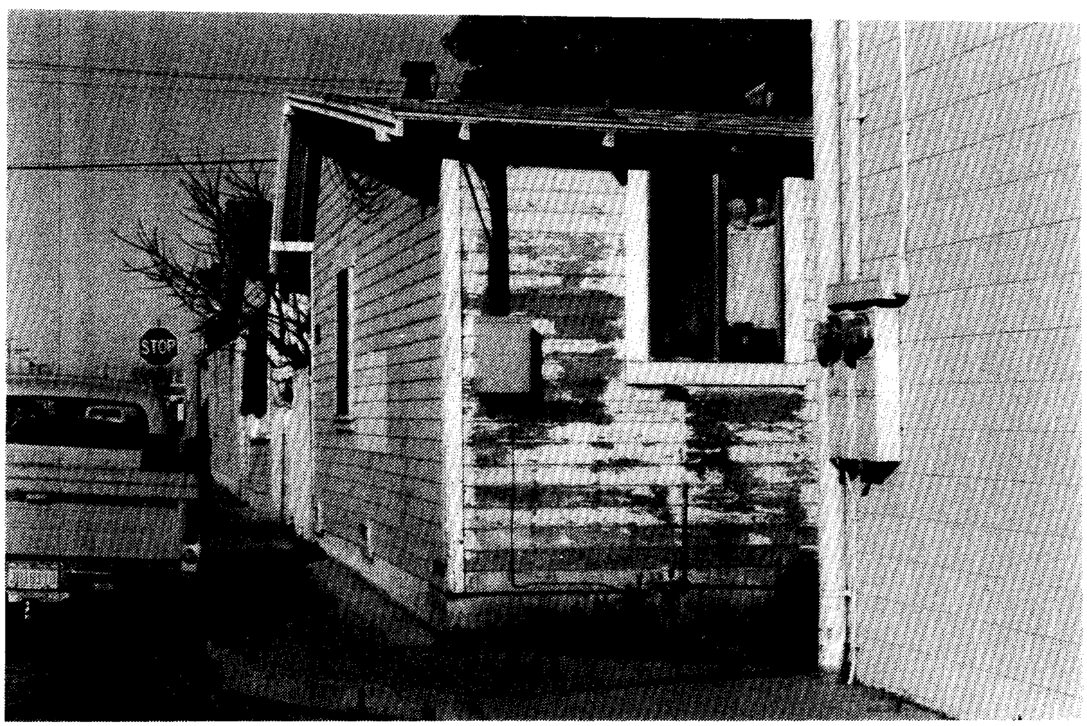
Totally dilapidated residence, 543 East Maple Street

Dilapidated front porch, residence, 316 South Sacramento Street

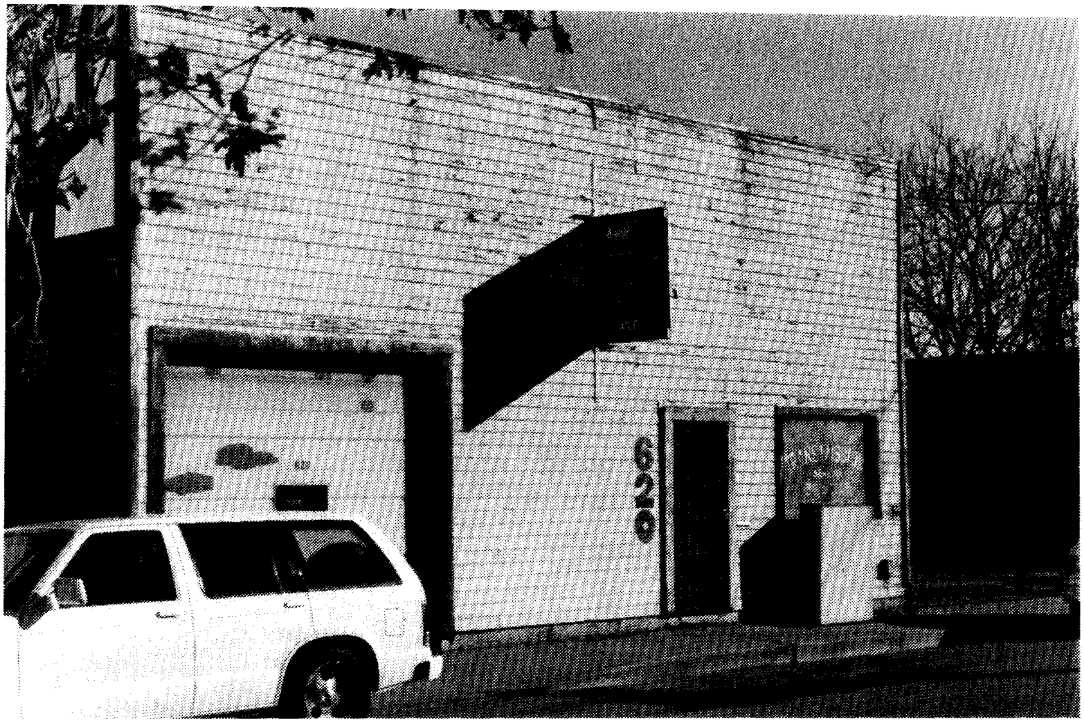
Badly deteriorated residence, peeling paint, dry rot, 316 South Sacramento Street



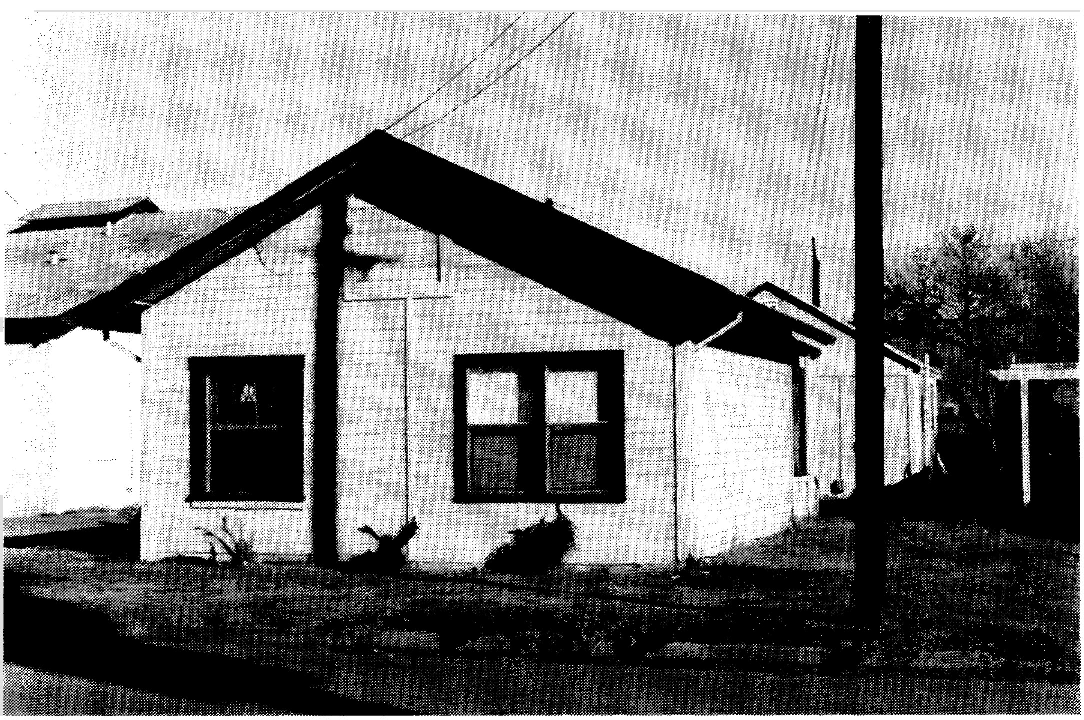
Large underutilized property, east side of South Sacramento Street between Chestnut and West Tokay Streets



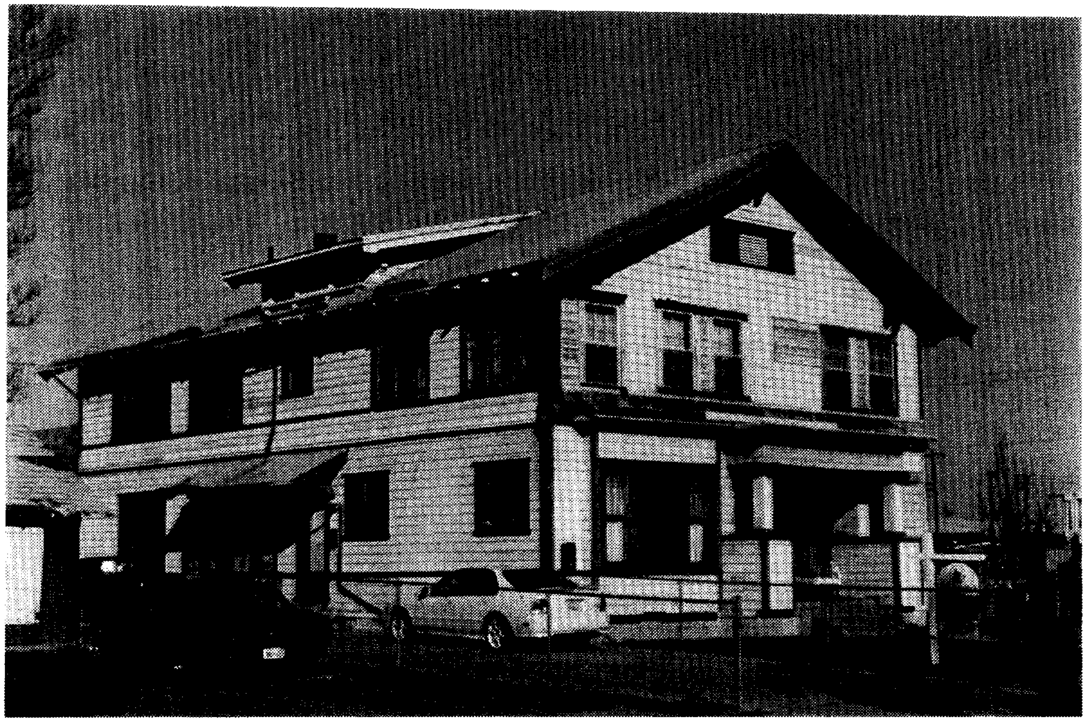
Deteriorated residential units, sagging sidewalls and sinking foundation, 602, 604 South Sacramento Street



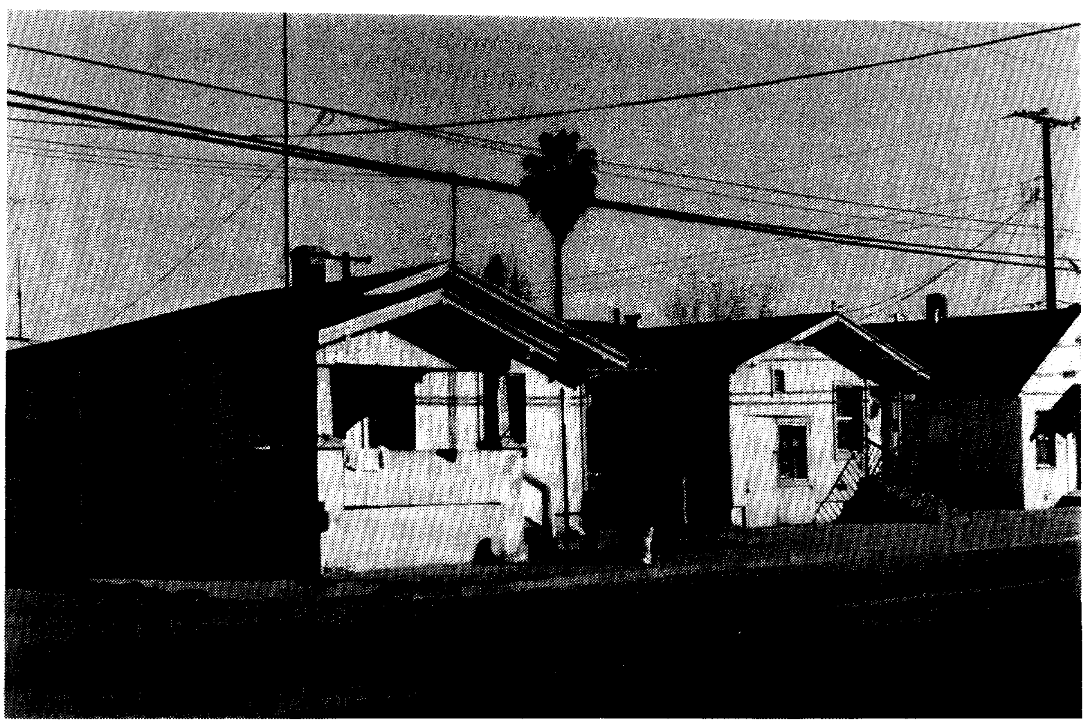
Deteriorated commercial garage building, 620 South Sacramento Street



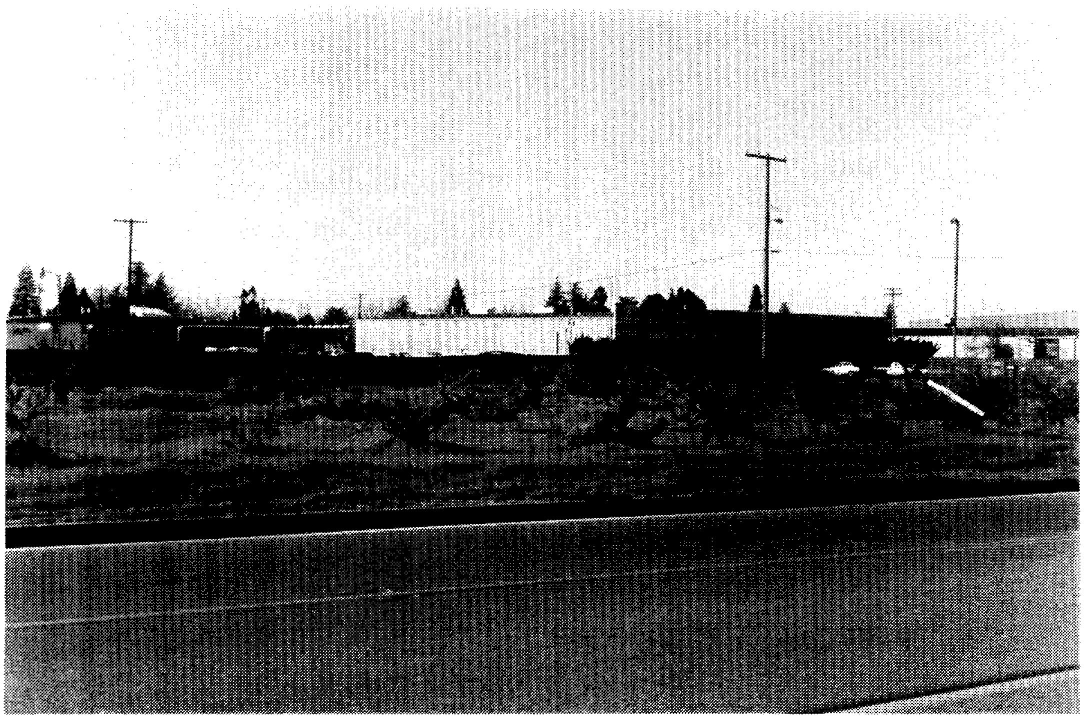
Small worker's cottage, located in industrial area, well painted, side wall deflection, 1116-1/2 South Sacramento Street



Badly deteriorated residence, peeling paint, dry rot, missing and deteriorated gutters, 9 Sierra Vista Place

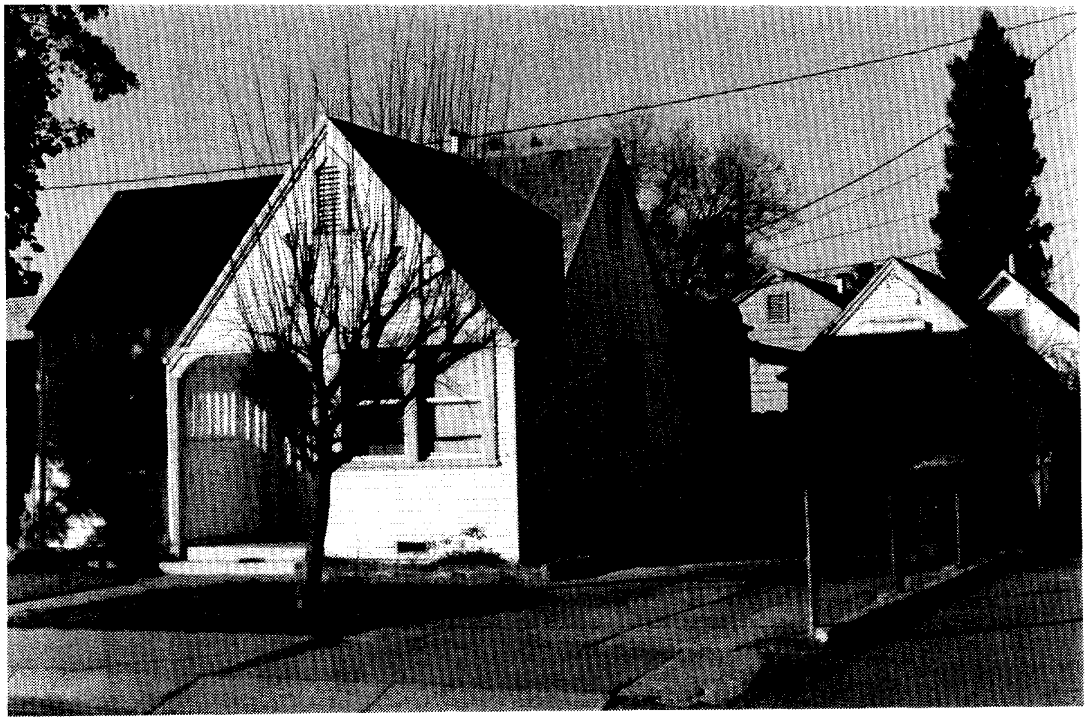


Badly deteriorated residences, peeling paint, dry rot, broken concrete steps, 802, 804 South Stockton Street



Large underutilized property, prominent corner location, abandoned vineyard, west side of South Stockton Street at Kettleman Lane

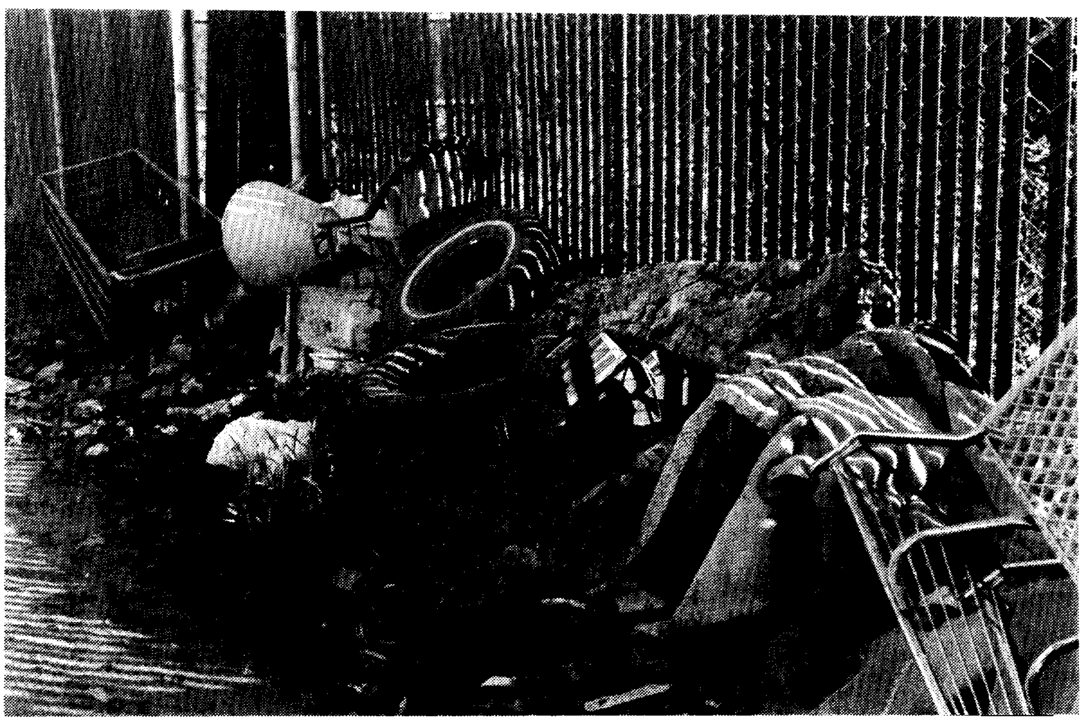
Attractive, solid residence, surface deterioration, 1001 South Central Avenue



Deteriorated cottage and garage, 409 Concord Street

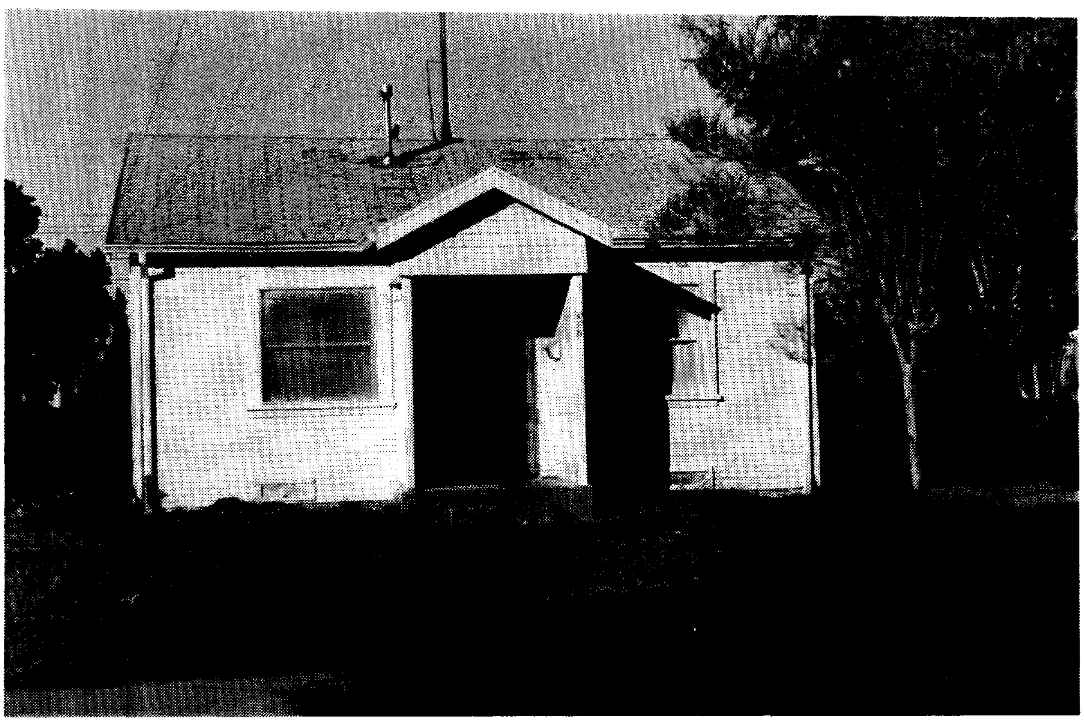
Residence, deteriorated, boarded up, 435 Poplar Street

Deteriorated cottages, 1319-1/2, 1321-1/2 South Central Avenue



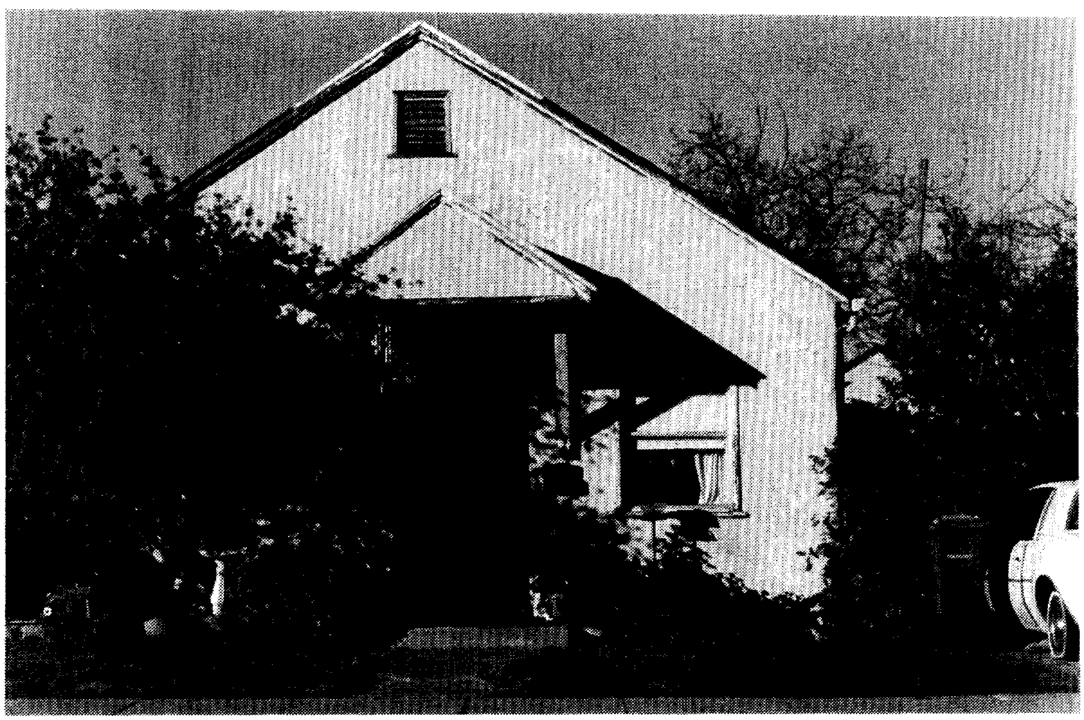
Trash accumulation, 1321 South Central Avenue

Aging and deteriorated commercial buildings, substandard and congested off-street parking, 201-225 East Kettleman Lane

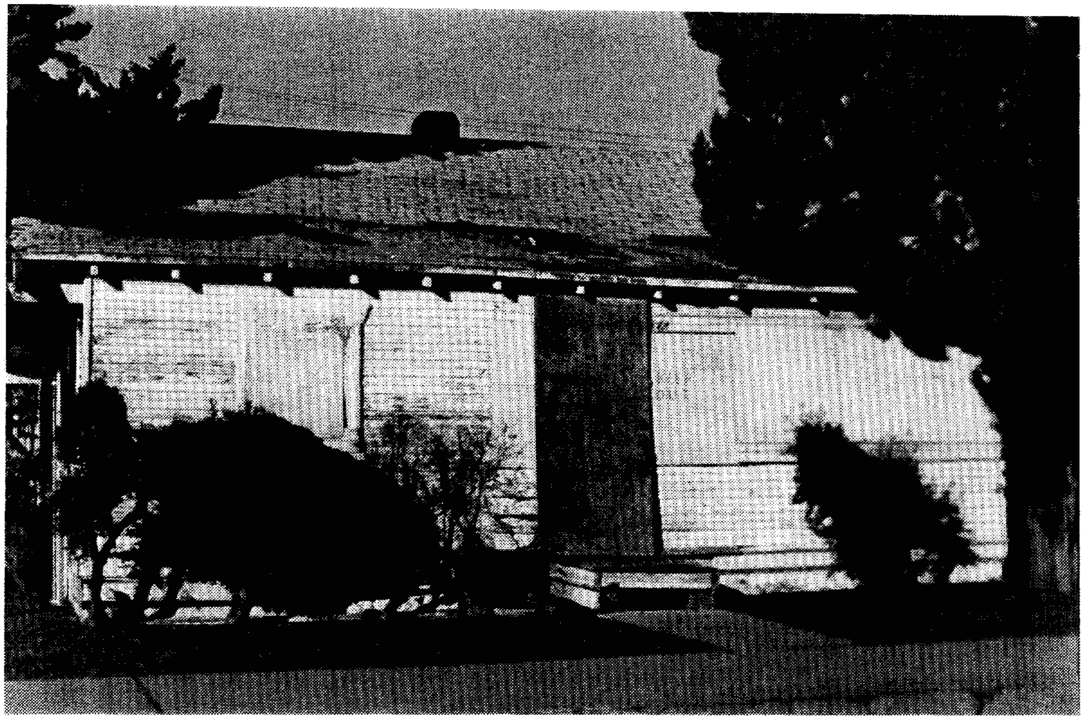


Deteriorated cottage, recent paint over deteriorated surface, 307 Watson Street

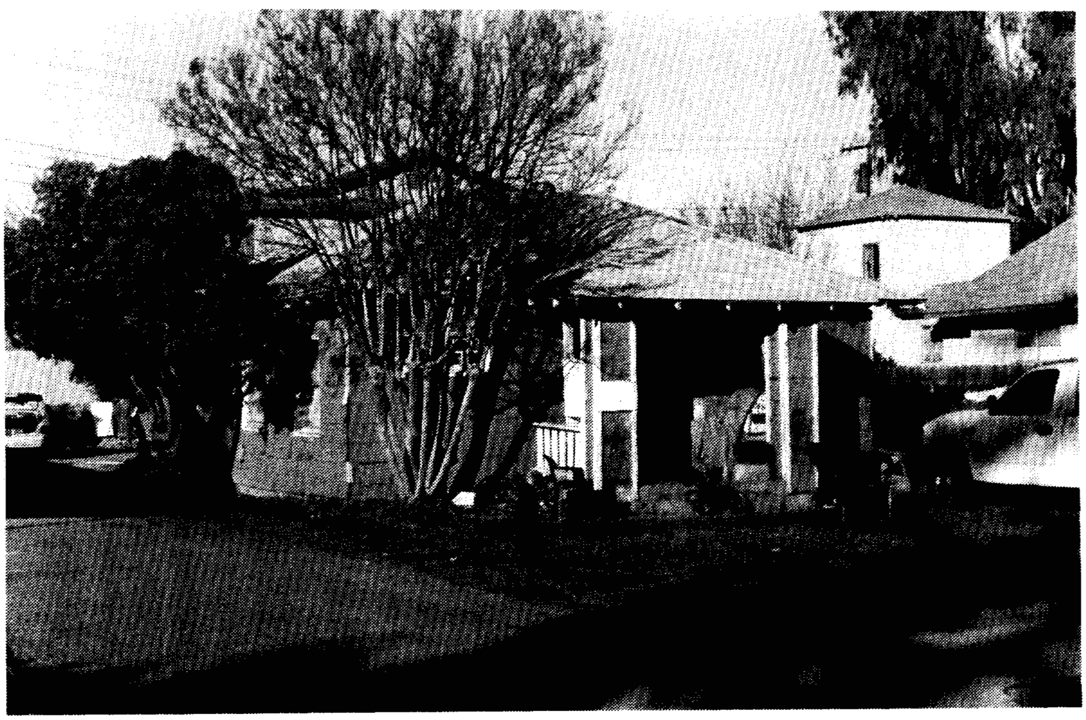
Badly deteriorated cottage, 219 Cherry Street



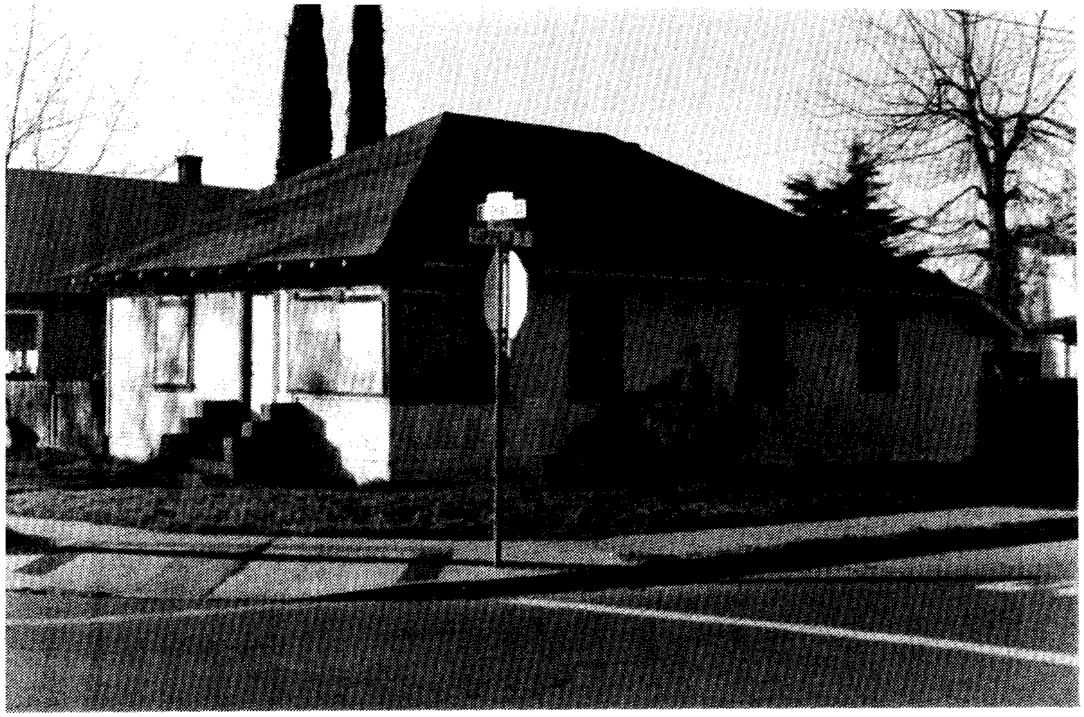
Deteriorated residence, 227 Cherry Street



Abandoned, dilapidated house, 221 Maple Street



Dilapidated house, 305 Maple Street



Boarded up residence, corner South Garfield and East Tokay Streets

Appendix E:

County Fiscal Officer's Report

CITY OF LODI REDEVELOPMENT PROJECT
SAN JOAQUIN COUNTY
SCHEDULE OF AD VALOREM TAX REVENUE FROM ALL PROPERTY
WITHIN THE BOUNDARIES OF EACH TAXING AGENCY
BASE YEAR 2001-02

SCHEDULE IV

ENTITY-FUND NUMBER	TAXING AGENCIES	FY2001-02 TOTAL CUR YR REVENUE
01000-01	County General	64,928,960
22104-01	Lodi Unified Schools	20,310,486
23101-01	SJCo. Delta Community College	10,938,990
24101-01	County Office of Education	3,999,590
34100-01	SJCo. Flood Control	500,467
37103-01	SJCo. Mosquito Abatement	2,239,178
41102-01	North San Joaquin Water Conservation	162,214
50502-00	City of Lodi	5,407,579
50997-00	Educ. Rev. Augment. Fd. (ERAF)	82,699,269
	Total	191,186,733

Per Health & Safety Code Section 33328 (d)

CITY OF LODI REDEVELOPMENT PROJECT
SAN JOAQUIN COUNTY
SCHEDULE OF TAXING AGENCIES AND AMOUNT OF TAX REVENUE
TO BE DERIVED BY EACH AGENCY WITHIN THE PROJECT AREA
BASE YEAR 2001-02

SCHEDULE III

ENTITY-FUND NUMBER	TAXING AGENCIES	FY2001-02 BASE REVENUE
01000-01	County General	1,147,631
22104-01	Lodi Unified Schools	1,464,269
23101-01	SJCo. Delta Community College	205,858
24101-01	County Office of Education	73,607
34100-01	SJCo. Flood Control	9,028
37103-01	SJCo. Mosquito Abatement	40,545
41102-01	North San Joaquin Water Conservation	27,129
50502-00	City of Lodi	868,301
50997-00	Educ. Rev. Augment. Fd. (ERAF)	1,460,347
	Total	5,296,715

Per Health & Safety Code Section 33328 (b) and (c)

CITY OF LODI REDEVELOPMENT PROJECT
SAN JOAQUIN COUNTY
BASE YEAR 2001-02

(Detail for H&S Code 33328(c))

	Tax Rate Area (TRA) 001-001	
Total Assessed Value (AV) of Affected Parcels	512,968,964	512,968,964
Net AV of TRA	1,957,493,127	
Utility AV	(3,090,921)	
AV of TRA	1,954,402,206	
FACTOR - Total AV of Affected Parcels divided by AV of TRA	0.26246847	

ENTITY-FUND NUMBER	TAXING AGENCIES	FY2001-02 BASE REVENUE 001-001	BASE REVENUE MULTIPLIED BY FACTOR	ADJUSTED BASE REVENUE 001-001	NEW RDA TRA 001-
01000-01	County General	4,165,744.74	1,093,376.65	3,072,368.09	1,093,376.65
22104-01	Lodi Unified Schools	5,315,791.80	1,395,227.74	3,920,564.06	1,395,227.74
23101-01	SJCo. Delta Community College	747,286.87	196,139.24	551,147.63	196,139.24
24101-01	County Office of Education	267,142.11	70,116.38	197,025.73	70,116.38
34100-01	SJCo. Flood Control	32,772.50	8,601.75	24,170.75	8,601.75
37103-01	SJCo. Mosquito Abatement	147,182.58	38,630.79	108,551.79	38,630.79
41102-01	North San Joaquin Water Conservation	98,842.76	25,943.11	72,899.65	25,943.11
50502-00	City of Lodi	3,152,053.02	827,314.53	2,324,738.49	827,314.53
50997-00	Educ. Rev. Augment. Fd. (ERAF)	5,300,960.10	1,391,334.89	3,909,625.21	1,391,334.89
	Total	19,227,776.48	5,046,685.08	14,181,091.40	5,046,685.08

CITY OF LODI REDEVELOPMENT PROJECT
SAN JOAQUIN COUNTY
BASE YEAR 2001-02

(Detail for H&S Code 33328(c))

	Tax Rate Area (TRA) 001-003
Total Assessed Value (AV) of Affected Parcels	1,960,294
Net AV of TRA	1,076,762,109
Utility AV	(31,723)
AV of TRA	1,076,730,386
FACTOR - Total AV of Affected Parcels divided by AV of TRA	0.00182060

ENTITY-FUND NUMBER	TAXING AGENCIES	FY2001-02 BASE REVENUE 001-003	BASE REVENUE MULTIPLIED BY FACTOR	ADJUSTED BASE REVENUE 001-003	NEW RDA TRA 001-
01000-01	County General	2,386,349.46	4,344.59	2,382,004.87	4,344.59
22104-01	Lodi Unified Schools	2,944,829.67	5,361.36	2,939,468.31	5,361.36
23101-01	SJCo. Delta Community College	414,528.55	754.69	413,773.86	754.69
24101-01	County Office of Education	151,761.48	276.30	151,485.18	276.30
34100-01	SJCo. Flood Control	18,239.33	33.21	18,206.12	33.21
37103-01	SJCo. Mosquito Abatement	81,977.07	149.25	81,827.82	149.25
50502-00	City of Lodi	1,858,410.69	3,383.42	1,855,027.27	3,383.42
50997-00	Educ. Rev. Augment. Fd. (ERAF)	3,045,339.53	5,544.35	3,039,795.18	5,544.35
	Total	10,901,435.78	19,847.17	10,881,588.61	19,847.17

CITY OF LODI REDEVELOPMENT PROJECT
SAN JOAQUIN COUNTY
BASE YEAR 2001-02

(Detail for H&S Code 33328(c))

	Tax Rate Area (TRA) 001-013
Total Assessed Value (AV) of Affected Parcels	22,898,228
Net AV of TRA	22,908,340
Utility AV	(3,165)
AV of TRA	22,905,175
FACTOR - Total AV of Affected Parcels divided by AV of TRA	0.99969671

ENTITY-FUND NUMBER	TAXING AGENCIES	FY2001-02 BASE REVENUE 001-013	BASE REVENUE MULTIPLIED BY FACTOR	ADJUSTED BASE REVENUE 001-013	NEW RDA TRA 001-
01000-01	County General	49,925.38	49,910.24	15.14	49,910.24
22104-01	Lodi Unified Schools	63,699.24	63,679.92	19.32	63,679.92
23101-01	SJCo. Delta Community College	8,967.25	8,964.53	2.72	8,964.53
24101-01	County Office of Education	3,215.61	3,214.63	0.98	3,214.63
34100-01	SJCo. Flood Control	393.27	393.15	0.12	393.15
37103-01	SJCo. Mosquito Abatement	1,765.11	1,764.57	0.54	1,764.57
41102-01	North San Joaquin Water Conservation	1,186.00	1,185.64	0.36	1,185.64
50502-00	City of Lodi	37,614.72	37,603.31	11.41	37,603.31
50997-00	Educ. Rev. Augment. Fd. (ERAF)	63,487.44	63,468.18	19.26	63,468.18
	Total	230,254.02	230,184.17	69.85	230,184.17

C:Excel\RDA_Project_1-14-02.xls\001-013\ems\1/16/02

detail for Sch III

CITY OF LODI REDEVELOPMENT PROJECT NO.1
ASSESSED VALUE WITHIN PROJECT AREA
IN SAN JOAQUIN COUNTY
2000-2001 PRECEDING YEAR

SCHEDULE II

	LAND	IMPROVEMENTS	PERSONAL PROPERTY	HOME-OWNERS' EXEMPTION	OTHER EXEMPTIONS	NET ASSESSED VALUE
Secured	131,249,548	284,896,947	33,660,531	6,079,085	14,320,475	429,407,466
SBE	0	0	0	0	0	0
Total Secured	131,249,548	284,896,947	33,660,531	6,079,085	14,320,475	429,407,466
Unsecured	249,404	13,897,937	67,440,089	0	2,071,854	79,515,576
Total Assessed Value	131,498,952	298,794,884	101,100,620	6,079,085	16,392,329	508,923,042

Per Health & Safety Code Section 33328 (f)

CITY OF LODI REDEVELOPMENT PROJECT NO.1
ASSESSED VALUE WITHIN PROJECT AREA
IN SAN JOAQUIN COUNTY
2001-2002 BASE YEAR

SCHEDULE I

	LAND	IMPROVEMENTS	PERSONAL PROPERTY	HOME-OWNERS' EXEMPTION	OTHER EXEMPTIONS	NET ASSESSED VALUE	ADD HOMEOWNER'S EXEMPTION	NET BASE TOTAL
Secured	135,580,849	295,427,571	31,725,394	6,033,003	13,667,942	443,032,869	6,033,003	449,065,872
SBE	2,230,659	74,124	42,923	0	0	2,347,706	0	2,347,706
Total Secured	137,811,508	295,501,695	31,768,317	6,033,003	13,667,942	445,380,575	6,033,003	451,413,578
Unsecured	254,102	21,721,543	68,869,278	0	2,083,309	88,761,614	0	88,761,614
Total Assessed Value	138,065,610	317,223,238	100,637,595	6,033,003	15,751,251	534,142,189	6,033,003	540,175,192

Per Health & Safety Code Section 33328 (a)

CITY OF LODI REDEVELOPMENT PROJECT
PER ASSESSOR'S CERTIFICATION 11/19/01 & 01-08-02

FY2001-02

TRA	TOTAL	SECURED LAND	SECURED IMPROV.	SECURED PER PROP	SECURED H.O. EXEMPT	SECURED OTHER EXMP	UNSECURED LAND	UNSECURED IMPROV.	UNSECURED PER PROP	OTHER EXMP
001-001	545,812,495	129,470,136	279,931,650	31,599,241	6,012,003	13,415,764	254,102	20,898,307	66,314,601	2,083,309
001-003	1,967,294	752,868	1,175,399	32,027	7,000	0	0	0	0	0
001-013	23,416,584	5,357,845	14,320,522	94,126	14,000	252,178	0	823,236	2,554,677	0
Total	571,196,373	135,580,849	##########	31,725,394	6,033,003	13,667,942	254,102	21,721,543	68,869,278	2,083,309
	571,196,373									

FY2000-01

TRA	TOTAL	SECURED LAND	SECURED IMPROV.	SECURED PER PROP	SECURED H.O. EXEMPT	SECURED OTHER EXMP	UNSECURED LAND	UNSECURED IMPROV.	UNSECURED PER PROP	OTHER EXMP
001-001	524,996,894	125,374,997	270,153,180	33,538,087	6,065,085	14,073,241	249,404	13,109,522	64,505,232	2,071,854
001-003	1,852,159	719,418	1,098,161	27,580	7,000	0	0	0	0	0
001-013	22,873,109	5,155,133	13,645,606	94,864	7,000	247,234	0	788,415	2,934,857	0
Total	549,722,162	131,249,548	##########	33,660,531	6,079,085	14,320,475	249,404	13,897,937	67,440,089	2,071,854
	549,722,162									

Appendix F:

Tax Increment Projections

Appendix Table 1
Summary of Tax Increment Projections
Proposed Lodi Redevelopment Project Area

Summary of Assumptions	
Growth Assumptions	
2001/02 Secured Assessed Value:	$449,065,872
2001/02 State Board Assessed Value:	$2,347,706
2001/02 Unsecured Assessed Value:	$88,761,614
2001/02 Total Assessed Value:	$540,175,192
2001/02 Unitary Payments:	$0
Annual Inflationary Adjustment: 2% of Secured AV	
Reassessed Property Assessments: 1% of Secured AV	
Development Per Absorption Analysis	
Annual Growth in State Board Assessed Value:	0.0%
Annual Growth in Unsecured Assessed Value:	0.0%
Annual Growth in Unitary Payments:	0.0%
Tax Increment Generation	
Project Adopted between 12/2/01 and 8/20/02	
Property Tax Rate:	1.0%
Tax Increment Cap:	N/A
County Property Tax Admin Fee:	1.5%
Pass-Through Payments and Net TI for Housing are calculated based on Incremental Tax Revenues.	
Sponsoring Community	
City receives pass-through	
City's Unadjusted Levy Within Project Area:	0.00%
Agency Administration Cost	
Cost in FY 2002/03:	$0
Percent of TI to Agency net of Housing and Pass-Throughs:	10.0%
Present Value Discount Rate	
Present value discounted to 2001/02 at:	5.5%

Tax Increment Projections From 2002/03 Through End of Prc j :ct	Nominal Dollars	Constant 2001/02 Dollars
County Distribution of Basic Incremental Taxes		
Incremental Tax Revenues	$290,624,240	$60,721,882
Less: Unilateral 2% Election	0	0
Less: County Property Tax Admin Fee	4,359,364	910,828
Tax Revenues Remitted to Agency	286,264,876	59,811,054
TI Available to Agency After Obligations		
Tax Revenues Remitted to Agency	286,264,876	59,811,054
Less: Pass-Throughs to Taxing Entities	98,270,644	18,676,833
Less: Debt Obligation	0	0
TI Available to Agency After Obligations	187,994,233	41,134,221
Projected Use of TI Funds		
Agency Administration (Non-Hsg)	12,986,938	2,898,984
TI Available for Housing Programs	58,124,848	12,144,376
TI Available for Non-Housing Projects	116,882,446	26,090,860
Total TI Funds Used by Agency	187,994,233	41,134,221
Subtotal, TI for Housing & Projects	*175,007,294*	*38,235,237*
Cumulative TI for Housing Programs		
2011/ 12	1,868,384	1,277,327
2021/ 22	8,548,893	4,114,577
2031/ 32	21,877,931	7,471,442
2046/ 47	58,124,848	12,144,376
Cumulative TI for Non-Housing Projects		
2011/ 12	4,918,522	3,362,563
2021/ 22	20,650,259	10,095,888
2031/ 32	48,895,455	17,229,963
2046/ 47	116,882,446	26,090,860

Appendix Table 2A
Tax Increment Projections
Proposed Lodi Redevelopment Project Area
(In Future Value or Nominal Dollars)

		County Distribution of Basic Incremental Taxes				Agency Obligations			Net Tax Increment Available for Housing Programs		Net Tax Increment Available for Non-Housing Projects	
Year (N)	Fiscal Year	(1) Incremental Tax Revenues*	(2) Unilateral 2% Elections	(3) County Admin Fee	(4) Net Taxes Remitted to Agency	(5) Pass-Through Payments	(6) Debt Obligation	(7) Agency Admin Expenses	(8) Annual	(9) Cumulative	(10) Annual	(11) Cumulative
0	2001/02											
1	2002/03	0		0	0	0	0	0	0	0	0	0
2	2003/04	321,123		4,817	316,306	64,225	0	18,786	64,225	64,225	169,071	169,071
3	2004/05	465,476		6,982	458,494	93,095	0	27,230	93,095	157,320	245,073	414,144
4	2005/06	627,666		9,415	618,251	125,533	0	36,718	125,533	282,853	330,466	744,610
5	2006/07	794,857		11,923	782,934	158,971	0	46,499	158,971	441,824	418,492	1,163,103
6	2007/08	1,005,402		15,081	990,321	201,080	0	58,816	201,080	642,905	529,344	1,692,447
7	2008/09	1,213,945		18,209	1,195,735	242,789	0	71,016	242,789	885,694	639,142	2,331,588
8	2009/10	1,418,391		21,276	1,397,115	283,678	0	82,976	283,678	1,169,372	746,783	3,078,371
9	2010/11	1,641,918		24,629	1,617,289	328,384	0	96,052	328,384	1,497,755	864,470	3,942,841
10	2011/12	1,853,145		27,797	1,825,348	370,629	0	108,409	370,629	1,868,384	975,681	4,918,522
11	2012/13	2,115,256		31,729	2,083,527	423,051	0	123,742	423,051	2,291,436	1,113,682	6,032,205
12	2013/14	2,386,518		35,798	2,350,720	522,063	0	135,135	477,304	2,768,739	1,216,218	7,248,423
13	2014/15	2,608,965		39,134	2,569,831	613,020	0	143,502	521,793	3,290,532	1,291,516	8,539,939
14	2015/16	2,862,441		42,937	2,819,505	702,016	0	154,500	572,488	3,863,021	1,390,501	9,930,440
15	2016/17	3,145,315		47,180	3,098,136	801,940	0	166,713	629,063	4,492,084	1,500,419	11,430,858
16	2017/18	3,438,123		51,572	3,386,551	908,892	0	179,003	687,625	5,179,708	1,611,031	13,041,890
17	2018/19	3,716,834		55,753	3,661,082	1,014,794	0	190,292	743,367	5,923,075	1,712,629	14,754,519
18	2019/20	4,048,210		60,723	3,987,487	1,128,895	0	204,895	809,642	6,732,717	1,844,055	16,598,574
19	2020/21	4,390,748		65,861	4,324,887	1,254,031	0	219,271	878,150	7,610,867	1,973,436	18,572,010
20	2021/22	4,690,129		70,352	4,619,777	1,372,586	0	230,917	938,026	8,548,893	2,078,249	20,650,259
21	2022/23	5,000,599		75,009	4,925,590	1,486,149	0	243,932	1,000,120	9,549,013	2,195,389	22,845,648
22	2023/24	5,336,357		80,045	5,256,312	1,606,489	0	258,255	1,067,271	10,616,284	2,324,296	25,169,944
23	2024/25	5,683,420		85,251	5,598,168	1,733,373	0	272,811	1,136,684	11,752,968	2,455,300	27,625,244
24	2025/26	6,045,511		90,683	5,954,828	1,865,247	0	288,048	1,209,102	12,962,070	2,592,431	30,217,675
25	2026/27	6,468,330		97,025	6,371,305	2,011,831	0	306,581	1,293,666	14,255,736	2,759,227	32,976,902
26	2027/28	6,869,479		103,042	6,766,436	2,164,335	0	322,821	1,373,896	15,629,632	2,905,385	35,882,287
27	2028/29	7,224,813		108,372	7,116,441	2,304,240	0	336,724	1,444,963	17,074,594	3,030,514	38,912,801
28	2029/30	7,592,458		113,887	7,478,572	2,438,842	0	352,124	1,518,492	18,593,086	3,169,114	42,081,914
29	2030/31	8,006,967		120,105	7,886,863	2,584,730	0	370,074	1,601,393	20,194,480	3,330,665	45,412,580
30	2031/32	8,417,258		126,259	8,290,999	2,737,685	0	386,986	1,683,452	21,877,931	3,482,876	48,895,455
31	2032/33	8,841,268		132,619	8,708,649	2,892,834	0	404,756	1,768,254	23,646,185	3,642,805	52,538,261
32	2033/34	9,279,102		139,187	9,139,916	3,101,469	0	418,263	1,855,820	25,502,005	3,764,364	56,302,624
33	2034/35	9,691,423		145,371	9,546,051	3,308,948	0	429,882	1,938,285	27,440,290	3,868,937	60,171,562
34	2035/36	10,116,885		151,753	9,965,132	3,511,990	0	442,976	2,023,377	29,463,667	3,986,788	64,158,350
35	2036/37	10,555,112		158,327	10,396,785	3,721,124	0	456,464	2,111,022	31,574,689	4,108,175	68,266,524
36	2037/38	11,006,485		165,097	10,841,387	3,936,532	0	470,356	2,201,297	33,775,986	4,233,203	72,499,727
37	2038/39	11,471,399		172,071	11,299,328	4,158,402	0	484,665	2,294,280	36,070,266	4,361,982	76,861,708
38	2039/40	11,950,261		179,254	11,771,007	4,386,928	0	499,403	2,390,052	38,460,318	4,494,624	81,356,332
39	2040/41	12,443,488		186,652	12,256,836	4,622,310	0	514,583	2,488,698	40,949,016	4,631,246	85,987,578
40	2041/42	12,951,513		194,273	12,757,240	4,864,753	0	530,218	2,590,303	43,539,318	4,771,966	90,759,544
41	2042/43	13,474,778		202,122	13,272,656	5,114,470	0	546,323	2,694,956	46,234,274	4,916,908	95,676,452
42	2043/44	14,013,741		210,206	13,803,535	5,371,678	0	562,911	2,802,748	49,037,022	5,066,198	100,742,649
43	2044/45	14,568,873		218,533	14,350,340	5,636,602	0	579,996	2,913,775	51,950,797	5,219,967	105,962,616
44	2045/46	15,140,659		227,110	14,913,549	5,909,474	0	597,594	3,028,132	54,978,928	5,378,348	111,340,964
45	2046/47	15,729,598		235,944	15,493,654	6,190,533	0	615,720	3,145,920	58,124,848	5,541,482	116,882,446
TOTAL		**290,624,240**	0	**4,359,364**	**286,264,876**	**98,270,644**	**0**	**12,986,938**	**58,124,848**		**116,882,446**	
Cumulative												
To:	2011/12	9,341,922	0	140,129	9,201,794	1,868,384	0	546,502	1,868,384		4,918,522	
To:	2021/22	42,744,464	0	641,167	42,103,297	10,609,672	0	2,294,473	8,548,893		20,650,259	
To:	2031/32	109,389,656	0	1,640,845	107,748,811	31,542,596	0	5,432,828	21,877,931		48,895,455	
To:	2046/47	290,624,240	0	4,359,364	286,264,876	98,270,644	0	12,986,938	58,124,848		116,882,446	

* Based on revenues from Basic Tax Increment (1.0%), exclusive of bond overrides.

Assumptions:

County Admin Fee as a % of Incremental Tax Revenues: 1.5%

Pass-Through Payments and Net TI for Housing are calculated based on Incremental Tax Revenues.

Agency Admin as a % of TI net of Housing & Pass-Throughs: 10%

TI for Housing Programs as a % of Incremental Tax Revenues: 20%

Appendix Table 2B
Tax Increment Projections
Proposed Lodi Redevelopment Project Area
(In Present Value or Constant 2001/02 Dollars)

		County Distribution of Basic Incremental Taxes				Agency Obligations			Net Tax Increment Available for Housing Programs		Net Tax Increment Available for Non-Housing Projects	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)				
Year (N)	Fiscal Year	Incremental Tax Revenues*	Unilateral 2% Elections	County Admin Fee	Net Taxes Remitted to Agency	Pass-Through Payments	Debt Obligation	Agency Admin Expenses	(8) Annual	(9) Cumulative	(10) Annual	(11) Cumulative
0	2001/ 02											
1	2002/ 03	0	0	0	0	0	0	0	0	0	0	0
2	2003/ 04	288,513	0	4,328	284,186	57,703	0	16,878	57,703	57,703	151,902	151,902
3	2004/ 05	396,406	0	5,946	390,460	79,281	0	23,190	79,281	136,984	208,708	360,610
4	2005/ 06	506,663	0	7,600	499,063	101,333	0	29,640	101,333	238,316	266,758	627,368
5	2006/ 07	608,172	0	9,123	599,050	121,634	0	35,578	121,634	359,951	320,203	947,570
6	2007/ 08	729,164	0	10,937	718,226	145,833	0	42,656	145,833	505,784	383,905	1,331,475
7	2008/ 09	834,510	0	12,518	821,993	166,902	0	48,819	166,902	672,686	439,370	1,770,845
8	2009/ 10	924,222	0	13,863	910,359	184,844	0	54,067	184,844	857,530	486,603	2,257,448
9	2010/ 11	1,014,097	0	15,211	998,885	202,819	0	59,325	202,819	1,060,349	533,922	2,791,370
10	2011/ 12	1,084,888	0	16,273	1,068,615	216,978	0	63,466	216,978	1,277,327	571,193	3,362,563
11	2012/ 13	1,173,778	0	17,607	1,156,171	234,756	0	68,666	234,756	1,512,082	617,994	3,980,557
12	2013/ 14	1,255,264	0	18,829	1,236,435	274,596	0	71,079	251,053	1,763,135	639,708	4,620,265
13	2014/ 15	1,300,727	0	19,511	1,281,217	305,628	0	71,544	260,145	2,023,281	643,899	5,264,164
14	2015/ 16	1,352,702	0	20,291	1,332,412	331,751	0	73,012	270,540	2,293,821	657,108	5,921,272
15	2016/ 17	1,408,891	0	21,133	1,387,757	359,216	0	74,676	281,778	2,575,599	672,087	6,593,360
16	2017/ 18	1,459,762	0	21,896	1,437,866	385,898	0	76,001	291,952	2,867,552	684,013	7,277,373
17	2018/ 19	1,495,827	0	22,437	1,473,390	408,400	0	76,582	299,165	3,166,717	689,242	7,966,615
18	2019/ 20	1,544,254	0	23,164	1,521,090	430,635	0	78,160	308,851	3,475,568	703,444	8,670,059
19	2020/ 21	1,587,603	0	23,814	1,563,789	453,431	0	79,284	317,521	3,793,089	713,553	9,383,612
20	2021/ 22	1,607,443	0	24,112	1,583,331	470,425	0	79,142	321,489	4,114,577	712,276	10,095,888
21	2022/ 23	1,624,503	0	24,368	1,600,135	482,793	0	79,244	324,901	4,439,478	713,198	10,809,086
22	2023/ 24	1,643,201	0	24,648	1,618,553	494,679	0	79,523	328,640	4,768,118	715,710	11,524,796
23	2024/ 25	1,658,835	0	24,883	1,633,952	505,924	0	79,626	331,767	5,099,885	716,635	12,241,431
24	2025/ 26	1,672,530	0	25,088	1,647,442	516,033	0	79,690	334,506	5,434,391	717,213	12,958,644
25	2026/ 27	1,696,214	0	25,443	1,670,771	527,570	0	80,396	339,243	5,773,634	723,562	13,682,206
26	2027/ 28	1,707,497	0	25,612	1,681,884	537,973	0	80,241	341,499	6,115,133	722,171	14,404,377
27	2028/ 29	1,702,198	0	25,533	1,676,666	542,889	0	79,334	340,440	6,455,573	714,003	15,118,380
28	2029/ 30	1,695,562	0	25,433	1,670,128	544,647	0	78,637	339,112	6,794,685	707,732	15,826,112
29	2030/ 31	1,694,910	0	25,424	1,669,487	547,134	0	78,337	338,982	7,133,667	705,033	16,531,145
30	2031/ 32	1,688,872	0	25,333	1,663,539	549,300	0	77,646	337,774	7,471,442	698,818	17,229,963
31	2032/ 33	1,681,467	0	25,222	1,656,245	550,171	0	76,978	336,293	7,807,735	692,803	17,922,766
32	2033/ 34	1,672,735	0	25,091	1,647,644	559,099	0	75,400	334,547	8,142,282	678,598	18,601,365
33	2034/ 35	1,655,985	0	24,840	1,631,145	565,404	0	73,454	331,197	8,473,479	661,090	19,262,455
34	2035/ 36	1,638,563	0	24,578	1,613,985	568,813	0	71,746	327,713	8,801,192	645,713	19,908,168
35	2036/ 37	1,620,417	0	24,306	1,596,111	571,266	0	70,076	324,083	9,125,275	630,685	20,538,853
36	2037/ 38	1,601,622	0	24,024	1,577,598	572,829	0	68,444	320,324	9,445,600	616,000	21,154,853
37	2038/ 39	1,582,251	0	23,734	1,558,517	573,569	0	66,850	316,450	9,762,050	601,648	21,756,501
38	2039/ 40	1,562,370	0	23,436	1,538,935	573,544	0	65,292	312,474	10,074,524	587,625	22,344,126
39	2040/ 41	1,542,042	0	23,131	1,518,911	572,813	0	63,769	308,408	10,382,932	573,921	22,918,046
40	2041/ 42	1,521,325	0	22,820	1,498,505	571,429	0	62,281	304,265	10,687,197	560,530	23,478,576
41	2042/ 43	1,500,275	0	22,504	1,477,771	569,442	0	60,827	300,055	10,987,252	547,446	24,026,022
42	2043/ 44	1,478,941	0	22,184	1,456,757	566,900	0	59,407	295,788	11,283,040	534,661	24,560,684
43	2044/ 45	1,457,371	0	21,861	1,435,511	563,847	0	58,019	291,474	11,574,515	522,170	25,082,854
44	2045/ 46	1,435,610	0	21,534	1,414,076	560,326	0	56,663	287,122	11,861,637	509,965	25,592,819
45	2046/ 47	1,413,699	0	21,205	1,392,494	556,375	0	55,338	282,740	12,144,376	498,041	26,090,860
TOTAL		**60,721,882**	**0**	**910,828**	**59,811,054**	**18,676,833**	**0**	**2,898,984**	**12,144,376**		**26,090,860**	
Cumulative												
To:	2011/ 12	6,386,634	0	95,800	6,290,835	1,277,327	0	373,618	1,277,327		3,362,563	
To:	2021/ 22	20,572,886	0	308,593	20,264,293	4,932,062	0	1,121,765	4,114,577		10,095,888	
To:	2031/ 32	37,357,208	0	560,358	36,796,850	10,181,005	0	1,914,440	7,471,442		17,229,963	
To:	2046/ 47	60,721,882	0	910,828	59,811,054	18,676,833	0	2,898,984	12,144,376		26,090,860	

* Based on revenues from Basic Tax Increment (1.0%), exclusive of bond overrides.

Assumptions:
Present value discounted to 2001/02 at: 5.5%

Appendix Table 3A
Tax Revenues
Proposed Lodi Redevelopment Project Area
(In Future Value or Nominal Dollars)

		First & Second Payments to Agency			Supplemental Payments		Total Basic Tax Revenues			
Year (N)	Fiscal Year	(1) Secured, State Board, Unsecurd AV	(2) Increase in AV Over Base	(3) First & Second Payments	(4) Supplemental Secured Assessements	(5) Supplemental Secured Payments	(6) First & Second Payments	(7) Supplemental Secured Payments	(8) Unitary Payments	(9) Incremental Tax Revenues
0	2001/ 02	540,175,192								
1	2002/ 03	553,647,168	13,471,976	0	4,625,378	0	0	0	0	0
2	2003/ 04	567,523,304	27,348,112	273,481	4,764,140	47,641	273,481	47,641	0	321,123
3	2004/ 05	581,815,723	41,640,531	416,405	4,907,064	49,071	416,405	49,071	0	465,476
4	2005/ 06	596,536,915	56,361,723	563,617	6,404,887	64,049	563,617	64,049	0	627,666
5	2006/ 07	613,050,354	72,875,162	728,752	6,610,539	66,105	728,752	66,105	0	794,857
6	2007/ 08	630,099,714	89,924,522	899,245	10,615,674	106,157	899,245	106,157	0	1,005,402
7	2008/ 09	651,495,195	111,320,003	1,113,200	10,074,450	100,745	1,113,200	100,745	0	1,213,945
8	2009/ 10	672,777,363	132,602,171	1,326,022	9,236,960	92,370	1,326,022	92,370	0	1,418,391
9	2010/ 11	693,647,683	153,472,491	1,534,725	10,719,305	107,193	1,534,725	107,193	0	1,641,918
10	2011/ 12	716,417,756	176,242,564	1,762,426	9,071,949	90,719	1,762,426	90,719	0	1,853,145
11	2012/ 13	737,995,874	197,820,682	1,978,207	13,704,948	137,049	1,978,207	137,049	0	2,115,256
12	2013/ 14	764,638,553	224,463,361	2,244,634	14,188,457	141,885	2,244,634	141,885	0	2,386,518
13	2014/ 15	792,297,595	252,122,403	2,521,224	8,774,123	87,741	2,521,224	87,741	0	2,608,965
14	2015/ 16	815,095,483	274,920,291	2,749,203	11,323,854	113,239	2,749,203	113,239	0	2,862,441
15	2016/ 17	840,899,061	300,723,869	3,007,239	13,807,665	138,077	3,007,239	138,077	0	3,145,315
16	2017/ 18	869,702,521	329,527,329	3,295,273	14,284,993	142,850	3,295,273	142,850	0	3,438,123
17	2018/ 19	899,559,378	359,384,186	3,593,842	12,299,262	122,993	3,593,842	122,993	0	3,716,834
18	2019/ 20	928,027,641	387,852,449	3,878,524	16,968,598	169,686	3,878,524	169,686	0	4,048,210
19	2020/ 21	961,734,606	421,559,414	4,215,594	17,515,429	175,154	4,215,594	175,154	0	4,390,748
20	2021/ 22	996,662,540	456,487,348	4,564,873	12,525,523	125,255	4,564,873	125,255	0	4,690,129
21	2022/ 23	1,027,299,128	487,123,936	4,871,239	12,935,989	129,360	4,871,239	129,360	0	5,000,599
22	2023/ 24	1,058,958,913	518,783,721	5,187,837	14,851,975	148,520	5,187,837	148,520	0	5,336,357
23	2024/ 25	1,093,167,880	552,992,688	5,529,927	15,349,269	153,493	5,529,927	153,493	0	5,683,420
24	2025/ 26	1,128,558,321	588,383,129	5,883,831	16,167,953	161,680	5,883,831	161,680	0	6,045,511
25	2026/ 27	1,165,475,254	625,300,062	6,253,001	21,532,897	215,329	6,253,001	215,329	0	6,468,330
26	2027/ 28	1,208,495,470	668,320,278	6,683,203	18,627,580	186,276	6,683,203	186,276	0	6,869,479
27	2028/ 29	1,249,470,773	709,295,581	7,092,956	13,185,719	131,857	7,092,956	131,857	0	7,224,813
28	2029/ 30	1,285,823,721	745,648,529	7,456,485	13,597,312	135,973	7,456,485	135,973	0	7,592,458
29	2030/ 31	1,323,315,321	783,140,129	7,831,401	17,556,581	175,566	7,831,401	175,566	0	8,006,967
30	2031/ 32	1,365,516,022	825,340,830	8,253,408	16,384,961	163,850	8,253,408	163,850	0	8,417,258
31	2032/ 33	1,407,389,117	867,213,925	8,672,139	16,912,918	169,129	8,672,139	169,129	0	8,841,268
32	2033/ 34	1,450,627,631	910,452,439	9,104,524	17,457,807	174,578	9,104,524	174,578	0	9,279,102
33	2034/ 35	1,495,275,805	955,100,613	9,551,006	14,041,665	140,417	9,551,006	140,417	0	9,691,423
34	2035/ 36	1,537,400,799	997,225,607	9,972,256	14,462,915	144,629	9,972,256	144,629	0	10,116,885
35	2036/ 37	1,580,789,544	1,040,614,352	10,406,144	14,896,802	148,968	10,406,144	148,968	0	10,555,112
36	2037/ 38	1,625,479,950	1,085,304,758	10,853,048	15,343,706	153,437	10,853,048	153,437	0	11,006,485
37	2038/ 39	1,671,511,069	1,131,335,877	11,313,359	15,804,017	158,040	11,313,359	158,040	0	11,471,399
38	2039/ 40	1,718,923,122	1,178,747,930	11,787,479	16,278,138	162,781	11,787,479	162,781	0	11,950,261
39	2040/ 41	1,767,757,536	1,227,582,344	12,275,823	16,766,482	167,665	12,275,823	167,665	0	12,443,488
40	2041/ 42	1,818,056,982	1,277,881,790	12,778,818	17,269,477	172,695	12,778,818	172,695	0	12,951,513
41	2042/ 43	1,869,865,412	1,329,690,220	13,296,902	17,787,561	177,876	13,296,902	177,876	0	13,474,778
42	2043/ 44	1,923,228,095	1,383,052,903	13,830,529	18,321,188	183,212	13,830,529	183,212	0	14,013,741
43	2044/ 45	1,978,191,658	1,438,016,466	14,380,165	18,870,823	188,708	14,380,165	188,708	0	14,568,873
44	2045/ 46	2,034,804,128	1,494,628,936	14,946,289	19,436,948	194,369	14,946,289	194,369	0	15,140,659
45	2046/ 47	2,093,114,973	1,552,939,781	15,529,398	20,020,057	200,201	15,529,398	200,201	0	15,729,598
TOTAL				**284,407,654**		**6,216,586**	**284,407,654**	**6,216,586**	**0**	**290,624,240**
Cumulative										
To:	2011/ 12			8,617,873		724,050	8,617,873	724,050	0	9,341,922
To:	2021/ 22			40,666,486		2,077,978	40,666,486	2,077,978	0	42,744,464
To:	2031/ 32			105,709,775		3,679,881	105,709,775	3,679,881	0	109,389,656
To:	2046/ 47			284,407,654		6,216,586	284,407,654	6,216,586	0	290,624,240

Notes:
First & Second Payments are based on the 1% basic tax rate applied to the Increase in AV Over Base.
Supplemental Secured Assessments include reassessed property and new development.
Supplemental Secured Payments are based on the 1% basic tax rate applied to the Supplemental Secured Assessments.
Unitary payments are estimated to escalate at an annual rate of: 0%

Appendix Table 3B
Growth in Assessed Value
Proposed Lodi Redevelopment Project Area
(In Future Value or Nominal Dollars)

						Growth Rates		Total Secured, State Board and Unsecured AV			
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Year (N)	Fiscal Year	Secured AV	Inflationary Adjustments	Reassessed Property Assessments	New Development Assessments	Annual	Average Annual	Secured AV	State Board	Unsecured AV	Secured, State Board, Unsecurd AV
0	2001/02	449,065,872	8,981,317	4,490,659	0			449,065,872	2,347,706	88,761,614	540,175,192
1	2002/03	462,537,848	9,250,757	4,625,378	0	3.00%	3.00%	462,537,848	2,347,706	88,761,614	553,647,168
2	2003/04	476,413,984	9,528,280	4,764,140	0	3.00%	3.00%	476,413,984	2,347,706	88,761,614	567,523,304
3	2004/05	490,706,403	9,814,128	4,907,064	0	3.00%	3.00%	490,706,403	2,347,706	88,761,614	581,815,723
4	2005/06	505,427,595	10,108,552	5,054,276	1,350,611	3.00%	3.00%	505,427,595	2,347,706	88,761,614	596,536,915
5	2006/07	521,941,034	10,438,821	5,219,410	1,391,129	3.27%	3.05%	521,941,034	2,347,706	88,761,614	613,050,354
6	2007/08	538,990,394	10,779,808	5,389,904	5,225,770	3.27%	3.09%	538,990,394	2,347,706	88,761,614	630,099,714
7	2008/09	560,385,875	11,207,718	5,603,859	4,470,592	3.97%	3.21%	560,385,875	2,347,706	88,761,614	651,495,195
8	2009/10	581,668,043	11,633,361	5,816,680	3,420,279	3.80%	3.29%	581,668,043	2,347,706	88,761,614	672,777,363
9	2010/11	602,538,363	12,050,767	6,025,384	4,693,922	3.59%	3.32%	602,538,363	2,347,706	88,761,614	693,647,683
10	2011/12	625,308,436	12,506,169	6,253,084	2,818,865	3.78%	3.37%	625,308,436	2,347,706	88,761,614	716,417,756
11	2012/13	646,886,554	12,937,731	6,468,866	7,236,083	3.45%	3.37%	646,886,554	2,347,706	88,761,614	737,995,874
12	2013/14	673,529,233	13,470,585	6,735,292	7,453,165	4.12%	3.44%	673,529,233	2,347,706	88,761,614	764,638,553
13	2014/15	701,188,275	14,023,765	7,011,883	1,762,240	4.11%	3.49%	701,188,275	2,347,706	88,761,614	792,297,595
14	2015/16	723,986,163	14,479,723	7,239,862	4,083,992	3.25%	3.47%	723,986,163	2,347,706	88,761,614	815,095,483
15	2016/17	749,789,741	14,995,795	7,497,897	6,309,768	3.56%	3.48%	749,789,741	2,347,706	88,761,614	840,899,061
16	2017/18	778,593,201	15,571,864	7,785,932	6,499,061	3.84%	3.50%	778,593,201	2,347,706	88,761,614	869,702,521
17	2018/19	808,450,058	16,169,001	8,084,501	4,214,761	3.83%	3.52%	808,450,058	2,347,706	88,761,614	899,559,378
18	2019/20	836,918,321	16,738,366	8,369,183	8,599,415	3.52%	3.52%	836,918,321	2,347,706	88,761,614	928,027,641
19	2020/21	870,625,286	17,412,506	8,706,253			3.55%	870,625,286	2,347,706	88,761,614	961,734,606
20	2021/22	905,553,220	18,111,064	9,055,532			3.57%	905,553,220	2,347,706	88,761,614	996,662,540
21	2022/23	936,189,808	18,723,796	9,361,898			3.56%	936,189,808	2,347,706	88,761,614	1,027,299,128
22	2023/24	967,849,593	19,356,992	9,678,496			3.55%	967,849,593	2,347,706	88,761,614	1,058,958,913
23	2024/25	1,002,058,560	20,041,171	10,020,586			3.55%	1,002,058,560	2,347,706	88,761,614	1,093,167,880
24	2025/26	1,037,449,001	20,748,980	10,374,490			3.55%	1,037,449,001	2,347,706	88,761,614	1,128,558,321
25	2026/27	1,074,365,934	21,487,319	10,743,659			3.55%	1,074,365,934	2,347,706	88,761,614	1,165,475,254
26	2027/28	1,117,386,150	22,347,723	11,173,861			3.57%	1,117,386,150	2,347,706	88,761,614	1,208,495,470
27	2028/29	1,158,361,453	23,167,229	11,583,615			3.57%	1,158,361,453	2,347,706	88,761,614	1,249,470,773
28	2029/30	1,194,714,401	23,894,288	11,947,144			3.56%	1,194,714,401	2,347,706	88,761,614	1,285,823,721
29	2030/31	1,232,206,001	24,644,120	12,322,060			3.54%	1,232,206,001	2,347,706	88,761,614	1,323,315,321
30	2031/32	1,274,406,702	25,488,134	12,744,067			3.54%	1,274,406,702	2,347,706	88,761,614	1,365,516,022
31	2032/33	1,316,279,797	26,325,596	13,162,798			3.53%	1,316,279,797	2,347,706	88,761,614	1,407,389,117
32	2033/34	1,359,518,311	27,190,366	13,595,183			3.52%	1,359,518,311	2,347,706	88,761,614	1,450,627,631
33	2034/35	1,404,166,485	28,083,330	14,041,665			3.52%	1,404,166,485	2,347,706	88,761,614	1,495,275,805
34	2035/36	1,446,291,479	28,925,830	14,462,915			3.50%	1,446,291,479	2,347,706	88,761,614	1,537,400,799
35	2036/37	1,489,680,224	29,793,604	14,896,802			3.49%	1,489,680,224	2,347,706	88,761,614	1,580,789,544
36	2037/38	1,534,370,630	30,687,413	15,343,706			3.47%	1,534,370,630	2,347,706	88,761,614	1,625,479,950
37	2038/39	1,580,401,749	31,608,035	15,804,017			3.46%	1,580,401,749	2,347,706	88,761,614	1,671,511,069
38	2039/40	1,627,813,802	32,556,276	16,278,138			3.45%	1,627,813,802	2,347,706	88,761,614	1,718,923,122
39	2040/41	1,676,648,216	33,532,964	16,766,482			3.44%	1,676,648,216	2,347,706	88,761,614	1,767,757,536
40	2041/42	1,726,947,662	34,538,953	17,269,477			3.42%	1,726,947,662	2,347,706	88,761,614	1,818,056,982
41	2042/43	1,778,756,092	35,575,122	17,787,561			3.41%	1,778,756,092	2,347,706	88,761,614	1,869,865,412
42	2043/44	1,832,118,775	36,642,376	18,321,188			3.40%	1,832,118,775	2,347,706	88,761,614	1,923,228,095
43	2044/45	1,887,082,338	37,741,647	18,870,823			3.40%	1,887,082,338	2,347,706	88,761,614	1,978,191,658
44	2045/46	1,943,694,808	38,873,896	19,436,948			3.39%	1,943,694,808	2,347,706	88,761,614	2,034,804,128
45	2046/47	2,002,005,653	40,040,113	20,020,057	0	3.00%	3.38%	**2,002,005,653**	**2,347,706**	**88,761,614**	**2,093,114,973**
TOTAL					**139,661,925**						
Cumulative											
To:	2011/12				23,371,166						
To:	2021/22				81,808,819						
To:	2031/32				132,049,180						
To:	2046/47				139,661,925						

Assumptions:
Annual Inflationary Adjustment: 2% of Secured AV
Reassessed Property Assessments: 1% of Secured AV
Development Per Absorption Analysis

State Board Annual Increase: 0%
Unsecured AV Annual Increase: 0%

Appendix Table 4
New Development Schedule
Proposed Lodi Redevelopment Project Area
(In Present Value or Constant 2001/02 Dollars, unless otherwise noted)

		Residential, Vacant Land		Retail/Dining Commercial		Commercial Office		Heavy Industrial		Warehouse/ Light Industrial		Total Assessed Value	
Year (N)	Fiscal Year	(1) Units	(2) Incremental Assessed Value ($150,000/unit)	(3) Square Feet	(4) Incremental Assessed Value ($55/SF)	(5) Square Feet	(6) Incremental Assessed Value ($90/SF)	(7) Square Feet	(8) Incremental Assessed Value ($60/SF)	(9) Square Feet	(10) Incremental Assessed Value ($50/SF)	(7) Constant 2001/02 Dollars	(8) Escalated to Nominal Dollars
0	2001/ 02		0		0		0		0		0	0	0
1	2002/ 03		0		0		0		0		0	0	0
2	2003/ 04		0		0		0		0		0	0	0
3	2004/ 05		0		0		0		0		0	0	0
4	2005/ 06	8	1,200,000		0		0		0		0	1,200,000	1,350,611
5	2006/ 07	8	1,200,000		0		0		0		0	1,200,000	1,391,129
6	2007/ 08	8	1,200,000	16,300	896,500	12,000	1,080,000	20,000	1,200,000		0	4,376,500	5,225,770
7	2008/ 09	8	1,200,000	17,000	935,000		0	25,000	1,500,000		0	3,635,000	4,470,592
8	2009/ 10	8	1,200,000		0		0	25,000	1,500,000		0	2,700,000	3,420,279
9	2010/ 11	8	1,200,000		0		0	25,000	1,500,000	17,950	897,500	3,597,500	4,693,922
10	2011/ 12	8	1,200,000		0		0		0	17,950	897,500	2,097,500	2,818,865
11	2012/ 13	8	1,200,000	34,000	1,870,000	14,000	1,260,000		0	17,950	897,500	5,227,500	7,236,083
12	2013/ 14	8	1,200,000	34,000	1,870,000	14,000	1,260,000		0	17,950	897,500	5,227,500	7,453,165
13	2014/ 15	8	1,200,000		0		0		0		0	1,200,000	1,762,240
14	2015/ 16	8	1,200,000		0		0	25,000	1,500,000		0	2,700,000	4,083,992
15	2016/ 17	8	1,200,000		0	15,000	1,350,000	25,000	1,500,000		0	4,050,000	6,309,768
16	2017/ 18	8	1,200,000		0	15,000	1,350,000	25,000	1,500,000		0	4,050,000	6,499,061
17	2018/ 19	8	1,200,000		0		0	22,500	1,350,000		0	2,550,000	4,214,761
18	2019/ 20	8	1,200,000	34,000	1,870,000	14,000	1,260,000		0	14,425	721,250	5,051,250	8,599,415
19	2020/ 21	8	1,200,000	33,500	1,842,500	14,000	1,260,000		0	14,425	721,250	5,023,750	8,809,176
20	2021/ 22	8	1,200,000		0		0		0	14,425	721,250	1,921,250	3,469,991
21	2022/ 23	8	1,200,000		0		0		0	14,425	721,250	1,921,250	3,574,091
22	2023/ 24	8	1,200,000		0		0	25,000	1,500,000		0	2,700,000	5,173,479
23	2024/ 25	8	1,200,000		0		0	25,000	1,500,000		0	2,700,000	5,328,684
24	2025/ 26	9	1,350,000		0		0	25,000	1,500,000		0	2,850,000	5,793,463
25	2026/ 27	9	1,350,000	17,000	935,000	15,200	1,368,000	25,000	1,500,000		0	5,153,000	10,789,238
26	2027/ 28		0	17,000	935,000	20,000	1,800,000		0	14,425	721,250	3,456,250	7,453,719
27	2028/ 29		0		0		0		0	14,425	721,250	721,250	1,602,105
28	2029/ 30		0		0		0		0	14,425	721,250	721,250	1,650,168
29	2030/ 31		0		0		0	25,000	1,500,000	14,425	721,250	2,221,250	5,234,521
30	2031/ 32		0		0		0	25,000	1,500,000		0	1,500,000	3,640,894
31	2032/ 33		0		0		0	25,000	1,500,000		0	1,500,000	3,750,121
32	2033/ 34		0		0		0	25,000	1,500,000		0	1,500,000	3,862,624
33	2034/ 35		0		0		0		0		0	0	0
34	2035/ 36		0		0		0		0		0	0	0
35	2036/ 37		0		0		0		0		0	0	0
36	2037/ 38		0		0		0		0		0	0	0
37	2038/ 39		0		0		0		0		0	0	0
38	2039/ 40		0		0		0		0		0	0	0
39	2040/ 41		0		0		0		0		0	0	0
40	2041/ 42		0		0		0		0		0	0	0
41	2042/ 43		0		0		0		0		0	0	0
42	2043/ 44		0		0		0		0		0	0	0
43	2044/ 45		0		0		0		0		0	0	0
44	2045/ 46		0		0		0		0		0	0	0
45	2046/ 47		0		0		0		0		0	0	0
TOTAL		**178**	**26,700,000**	**202,800**	**11,154,000**	**133,200**	**11,988,000**	**392,500**	**23,550,000**	**187,200**	**9,360,000**	**82,752,000**	**139,661,925**
Cumulative													
To:	2011/ 12	56	8,400,000	33,300	1,831,500	12,000	1,080,000	95,000	5,700,000	35,900	1,795,000	18,806,500	23,371,166
To:	2021/ 22	136	20,400,000	168,800	9,284,000	98,000	8,820,000	192,500	11,550,000	115,075	5,753,750	55,807,750	81,808,819
To:	2031/ 32	178	26,700,000	202,800	11,154,000	133,200	11,988,000	342,500	20,550,000	187,200	9,360,000	79,752,000	132,049,180
To:	2046/ 47	178	26,700,000	202,800	11,154,000	133,200	11,988,000	392,500	23,550,000	187,200	9,360,000	82,752,000	139,661,925

Future value based on 2001/02 values escalated annually at: 3%

Appendix Table 5A
Pass-Through Payments to Affected Taxing Entities

ERAF Adjusted Levies

Proposed Lodi Redevelopment Project Area
(In Future Value or Nominal Dollars)

Year (N)	Fiscal Year	(1) City General Fund[A]	(2) County General	(3) Lodi Unified Schools	(4) San Joaquin Delta Comm. College	(5) County Office of Education	(6) San Joaquin Cty Flood Control	(7) San Joaquin County Mosquito	(8) North San Joaquin Water Cons.	(9) ERAF	(10) Total Pass-Throughs
		Levy: 16.39%	Levy: 21.67%	Levy: 27.64%	Levy: 3.89%	Levy: 1.39%	Levy: 0.17%	Levy: 0.77%	Levy: 0.51%	Levy: 27.57%	Levy: 100.00%
0	2001/ 02										
1	2002/ 03	0	0	0	0	0	0	0	0	0	0
2	2003/ 04	10,528	13,915	17,755	2,496	893	109	492	329	17,707	64,225
3	2004/ 05	15,261	20,171	25,736	3,618	1,294	159	713	477	25,667	93,095
4	2005/ 06	20,579	27,199	34,703	4,879	1,745	214	961	643	34,611	125,533
5	2006/ 07	26,060	34,444	43,947	6,178	2,209	271	1,217	814	43,830	158,971
6	2007/ 08	32,964	43,568	55,588	7,815	2,794	343	1,539	1,030	55,439	201,080
7	2008/ 09	39,801	52,605	67,119	9,436	3,374	414	1,858	1,244	66,939	242,789
8	2009/ 10	46,504	61,464	78,422	11,025	3,942	484	2,171	1,453	78,212	283,678
9	2010/ 11	53,833	71,150	90,781	12,763	4,563	560	2,514	1,682	90,538	328,384
10	2011/ 12	60,758	80,304	102,460	14,405	5,151	632	2,837	1,898	102,185	370,629
11	2012/ 13	69,352	91,662	116,952	16,442	5,879	721	3,238	2,167	116,639	423,051
12	2013/ 14	78,245	113,115	144,324	20,290	7,255	890	3,996	2,674	151,275	522,063
13	2014/ 15	85,539	132,822	169,468	23,825	8,519	1,045	4,692	3,140	183,970	613,020
14	2015/ 16	93,849	152,105	194,071	27,284	9,756	1,197	5,374	3,596	214,785	702,016
15	2016/ 17	103,124	173,755	221,695	31,168	11,144	1,367	6,139	4,107	249,442	801,940
16	2017/ 18	112,724	196,928	251,262	35,324	12,631	1,549	6,957	4,655	286,862	908,892
17	2018/ 19	121,862	219,874	280,538	39,440	14,102	1,730	7,768	5,198	324,282	1,014,794
18	2019/ 20	132,726	244,596	312,081	43,875	15,688	1,924	8,641	5,782	363,581	1,128,895
19	2020/ 21	143,957	271,709	346,675	48,738	17,427	2,137	9,599	6,423	407,365	1,254,031
20	2021/ 22	153,772	297,396	379,449	53,346	19,075	2,340	10,507	7,030	449,671	1,372,586
21	2022/ 23	163,952	322,002	410,844	57,760	20,653	2,533	11,376	7,612	489,419	1,486,149
22	2023/ 24	174,960	348,076	444,111	62,437	22,325	2,738	12,297	8,228	531,317	1,606,489
23	2024/ 25	186,339	375,567	479,188	67,368	24,088	2,954	13,268	8,878	575,721	1,733,373
24	2025/ 26	198,211	404,140	515,645	72,493	25,921	3,179	14,278	9,553	621,827	1,865,247
25	2026/ 27	212,073	435,900	556,168	78,190	27,958	3,429	15,400	10,304	672,408	2,011,831
26	2027/ 28	225,225	468,943	598,327	84,118	30,077	3,689	16,567	11,085	726,303	2,164,335
27	2028/ 29	236,876	499,256	637,004	89,555	32,022	3,928	17,638	11,802	776,161	2,304,240
28	2029/ 30	248,929	528,420	674,214	94,786	33,892	4,157	18,669	12,491	823,283	2,438,842
29	2030/ 31	262,520	560,030	714,545	100,456	35,919	4,406	19,785	13,238	873,831	2,584,730
30	2031/ 32	275,972	593,170	756,829	106,401	38,045	4,666	20,956	14,022	927,625	2,737,685
31	2032/ 33	289,873	626,786	799,720	112,431	40,201	4,931	22,144	14,817	981,932	2,892,834
32	2033/ 34	304,228	671,991	857,396	120,540	43,100	5,286	23,741	15,885	1,059,302	3,101,469
33	2034/ 35	317,747	716,945	914,754	128,603	45,984	5,640	25,329	16,948	1,136,999	3,308,948
34	2035/ 36	331,696	760,938	970,884	136,495	48,805	5,986	26,883	17,988	1,212,315	3,511,990
35	2036/ 37	346,064	806,250	1,028,699	144,623	51,712	6,343	28,484	19,059	1,289,891	3,721,124
36	2037/ 38	360,863	852,922	1,088,248	152,994	54,705	6,710	30,133	20,162	1,369,794	3,936,532
37	2038/ 39	376,106	900,995	1,149,584	161,618	57,788	7,088	31,831	21,299	1,452,094	4,158,402
38	2039/ 40	391,806	950,509	1,212,759	170,499	60,964	7,477	33,580	22,469	1,536,863	4,386,928
39	2040/ 41	407,977	1,001,509	1,277,830	179,647	64,235	7,879	35,382	23,675	1,624,175	4,622,310
40	2041/ 42	424,633	1,054,039	1,344,853	189,070	67,604	8,292	37,238	24,916	1,714,107	4,864,753
41	2042/ 43	441,789	1,108,144	1,413,887	198,775	71,075	8,717	39,150	26,195	1,806,736	5,114,470
42	2043/ 44	459,460	1,163,873	1,484,992	208,772	74,649	9,156	41,118	27,513	1,902,145	5,371,678
43	2044/ 45	477,661	1,221,274	1,558,230	219,068	78,331	9,607	43,146	28,870	2,000,415	5,636,602
44	2045/ 46	496,408	1,280,397	1,633,665	229,673	82,123	10,073	45,235	30,267	2,101,634	5,909,474
45	2046/ 47	515,717	1,341,293	1,711,363	240,597	86,028	10,552	47,386	31,707	2,205,889	6,190,533
TOTAL		**9,528,522**	**21,292,151**	**27,166,767**	**3,819,318**	**1,365,646**	**167,500**	**752,229**	**503,323**	**33,675,189**	**98,270,644**
Cumulative											
To:	2011/ 12	306,288	404,820	516,512	72,615	25,965	3,185	14,302	9,570	515,129	1,868,384
To:	2021/ 22	1,401,437	2,298,782	2,933,027	412,348	147,440	18,084	81,214	54,341	3,263,000	10,609,672
To:	2031/ 32	3,586,493	6,834,286	8,719,902	1,225,912	438,341	53,764	241,448	161,555	10,280,896	31,542,596
To:	2046/ 47	9,528,522	21,292,151	27,166,767	3,819,318	1,365,646	167,500	752,229	503,323	33,675,189	98,270,644

[A] The City's pass-through is based only on the first tier of the AB1290 pass-through. Its shares of the second and third tiers are retained by the Agency.

Appendix Table 5B
Pass-Through Payments to Affected Taxing Entities
Proposed Lodi Redevelopment Project Area
(In Present Value or Constant 2001/02 Dollars)

Year (N)	Fiscal Year	(1) City General Fund[A] Levy: 16.39%	(2) County General Levy: 21.67%	(3) Lodi Unified Schools Levy: 27.64%	(4) San Joaquin Delta Comm. College Levy: 3.89%	(5) County Office of Education Levy: 1.39%	(6) San Joaquin Cty Flood Control Levy: 0.17%	(7) San Joaquin County Mosquito Levy: 0.77%	(8) North San Joaquin Water Cons. Levy: 0.51%	(25) ERAF Levy: 27.57%	(26) Total Pass-Throughs
0	2001/ 02										
1	2002/ 03	0	0	0	0	0	0	0	0	0	0
2	2003/ 04	9,459	12,502	15,952	2,243	802	98	442	296	15,909	57,703
3	2004/ 05	12,997	17,178	21,917	3,081	1,102	135	607	406	21,858	79,281
4	2005/ 06	16,612	21,956	28,013	3,938	1,408	173	776	519	27,938	101,333
5	2006/ 07	19,940	26,354	33,626	4,727	1,690	207	931	623	33,536	121,634
6	2007/ 08	23,907	31,597	40,315	5,668	2,027	249	1,116	747	40,207	145,833
7	2008/ 09	27,361	36,162	46,140	6,487	2,319	284	1,278	855	46,016	166,902
8	2009/ 10	30,302	40,050	51,100	7,184	2,569	315	1,415	947	50,963	184,844
9	2010/ 11	33,249	43,945	56,069	7,883	2,819	346	1,553	1,039	55,919	202,819
10	2011/ 12	35,570	47,012	59,983	8,433	3,015	370	1,661	1,111	59,822	216,978
11	2012/ 13	38,484	50,864	64,898	9,124	3,262	400	1,797	1,202	64,724	234,756
12	2013/ 14	41,156	59,496	75,912	10,672	3,816	468	2,102	1,406	79,568	274,596
13	2014/ 15	42,646	66,220	84,490	11,878	4,247	521	2,339	1,565	91,720	305,628
14	2015/ 16	44,350	71,880	91,712	12,894	4,610	565	2,539	1,699	101,501	331,751
15	2016/ 17	46,192	77,831	99,305	13,961	4,992	612	2,750	1,840	111,733	359,216
16	2017/ 18	47,860	83,612	106,681	14,998	5,363	658	2,954	1,976	121,796	385,898
17	2018/ 19	49,043	88,487	112,902	15,873	5,675	696	3,126	2,092	130,506	408,400
18	2019/ 20	50,631	93,305	119,048	16,737	5,984	734	3,296	2,206	138,694	430,635
19	2020/ 21	52,052	98,244	125,350	17,623	6,301	773	3,471	2,322	147,295	453,431
20	2021/ 22	52,702	101,926	130,048	18,283	6,537	802	3,601	2,409	154,115	470,425
21	2022/ 23	53,262	104,606	133,467	18,764	6,709	823	3,696	2,473	158,993	482,793
22	2023/ 24	53,875	107,181	136,753	19,226	6,874	843	3,787	2,534	163,606	494,679
23	2024/ 25	54,387	109,618	139,862	19,663	7,031	862	3,873	2,591	168,037	505,924
24	2025/ 26	54,836	111,808	142,656	20,056	7,171	880	3,950	2,643	172,032	516,033
25	2026/ 27	55,613	114,308	145,846	20,504	7,332	899	4,038	2,702	176,328	527,570
26	2027/ 28	55,983	116,562	148,722	20,908	7,476	917	4,118	2,755	180,532	537,973
27	2028/ 29	55,809	117,627	150,081	21,100	7,544	925	4,156	2,781	182,867	542,889
28	2029/ 30	55,591	118,008	150,567	21,168	7,569	928	4,169	2,790	183,857	544,647
29	2030/ 31	55,570	118,547	151,254	21,265	7,603	933	4,188	2,802	184,972	547,134
30	2031/ 32	55,372	119,016	151,853	21,349	7,634	936	4,205	2,813	186,122	549,300
31	2032/ 33	55,129	119,205	152,094	21,383	7,646	938	4,211	2,818	186,748	550,171
32	2033/ 34	54,843	121,139	154,562	21,730	7,770	953	4,280	2,864	190,959	559,099
33	2034/ 35	54,294	122,505	156,305	21,975	7,857	964	4,328	2,896	194,280	565,404
34	2035/ 36	53,723	123,244	157,248	22,107	7,905	970	4,354	2,913	196,350	568,813
35	2036/ 37	53,128	123,775	157,925	22,202	7,939	974	4,373	2,926	198,024	571,266
36	2037/ 38	52,511	124,114	158,358	22,263	7,960	976	4,385	2,934	199,327	572,829
37	2038/ 39	51,876	124,274	158,562	22,292	7,971	978	4,390	2,938	200,287	573,569
38	2039/ 40	51,224	124,269	158,555	22,291	7,970	978	4,390	2,938	200,929	573,544
39	2040/ 41	50,558	124,111	158,353	22,263	7,960	976	4,385	2,934	201,274	572,813
40	2041/ 42	49,879	123,811	157,971	22,209	7,941	974	4,374	2,927	201,344	571,429
41	2042/ 43	49,189	123,380	157,421	22,132	7,913	971	4,359	2,917	201,161	569,442
42	2043/ 44	48,489	122,829	156,719	22,033	7,878	966	4,339	2,904	200,743	566,900
43	2044/ 45	47,782	122,168	155,875	21,914	7,836	961	4,316	2,888	200,108	563,847
44	2045/ 46	47,068	121,405	154,901	21,777	7,787	955	4,289	2,870	199,273	560,326
45	2046/ 47	46,350	120,549	153,809	21,624	7,732	948	4,259	2,850	198,254	556,375
TOTAL		**1,990,852**	**4,046,681**	**5,163,181**	**725,881**	**259,548**	**31,834**	**142,965**	**95,659**	**6,220,232**	**18,676,833**
Cumulative											
To:	2011/ 12	209,395	276,756	353,115	49,644	17,751	2,177	9,778	6,542	352,169	1,277,327
To:	2021/ 22	674,511	1,068,622	1,363,461	191,686	68,540	8,407	37,753	25,261	1,493,821	4,932,062
To:	2031/ 32	1,224,808	2,205,903	2,814,523	395,688	141,483	17,353	77,932	52,145	3,251,169	10,181,005
To:	2046/ 47	1,990,852	4,046,681	5,163,181	725,881	259,548	31,834	142,965	95,659	6,220,232	18,676,833

[A] The City's pass-through is based only on the first tier of the AB1290 pass-through. Its shares of the second and third tiers are retained by the Agency.
Present value discounted to 2001/02 at: 5.5%